

DETAILED REPORT

OF THE

GENERAL COMMITTEE

OF THE

Indian Tea Association

FOR THE YEAR 1968

*Including a list of Tea Estates, members of
the Association corrected to
30th September 1969*

**With proceedings of the Eightyeighth Annual
General Meeting held on the
7th March 1969*

Calcutta:
1969

INDIAN TEA ASSOCIATION

Report for the year ended 31st December, 1968

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Indian Tea Association

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REPORT
FOR THE YEAR 1968

AND

*Proceedings of the Eightyeighth, Annual General
Meeting held on 7th March, 1969.*

INDIAN TEA ASSOCIATION

**PROCEEDINGS, EIGHTYEIGHTH ANNUAL
GENERAL MEETING**

7th March, 1969.

INDIAN TEA ASSOCIATION

PROCEEDINGS OF THE EIGHTY-EIGHTH ANNUAL
GENERAL MEETING OF MEMBERS OF THE
INDIAN TEA ASSOCIATION held at the Royal Ex-
change, Calcutta, at 11 a.m. on Friday, the 7th March,
1969.

PRESENT :

Mr. C. J. N. Will, Chairman, (Presiding)	}	Macneill & Barry Ltd.
The Rt. Hon. Lord Sinha of Raipur		
Mr. T. A. Angus		
Mr. S. C. Bahadurji		
Mr. S. C. Bhandari		
Mr. N. K. Bose		
Mr. W. J. C. Charlier		
Mr. J. R. Clayton		
Mr. R. C. C. Corps		
Mr. A. Cowe		
Mr. E. K. Deighton		
Mr. K. C. Datt		
Mr. R. Gupta		
Mr. P. D. Hector		
Mr F. L. Knights		
Mr. D. J. Milner		
Mr. S. K. Ojha		
Mr. B. K. Puri		
Mr. A. I. Thomas		
Mr. J. E. M. Turpin		
Mr. M. Lamond, (Vice-Chairman)	}	Jardine Henderson Ltd.
Mr. H. L. Barham		
Mr. T. N. Barooah		

Mr. D. Fordwood	}	Jardine Henderson Ltd.
Mr. B. S. Garewal		
Mr. A. Lahiri		
Mr. P. C. Nag		
Mr. D. C. Robertson		
Mr. H. W. Scallon		
Mr. F. H. Stroud		
Mr. B. N. Varma		
Mr. F. P. D. Hurst	}	Andrew Yule & Co., Ltd
Mr. J. F. Brierley		
Mr. J. J. Brown		
Mr. R. Getty		
Mr. P. K. Maitra		
Mr. A. Mukherji		
Mr. V. K. Chaudhri	}	Balmer Lawrie & Co., Ltd.
Mr. S. C. Boucher		
Mr. R. Chopra		
Mr. M. H. Crow		
Mr. H. K. Dodwell		
Mr. J. Foster		
Mr. D. C. Gibb		
Mr. M. L. W. Gilbert		
Mr. S. Menon		
Mr. L. B. Niblett		
Mr. R. R. Robinson		
Mr. J. L. C. Strang		
Mr. H. R. Chamarla		Bhatkawa Tea Co., Ltd.
Mr. S. Ghose		Bijoynagar Tea Co., Ltd.
Mr. D. K. Nag	}	Brooke Bond Estates India Ltd.
Mr. S. Mitra		
Mr. G. Wilmot		English and Scottish Co-operative Tea Society Ltd.

Mr. P. C. Chatterjee	P. C. Chatterjee & Co.
Mr. S. Prashad	} Davenport & Co. (P) Ltd.
Mr. A. K. Ghosh	
Mr. M. S. Christie	} Duncan Brothers & Co., Ltd.
Mr. P. K. Bose	
Mr. V. B. Bakshi	
Mr. J. Duncan	
Mr. G. P. Goenka	
Mr. R. P. Goenka	
Mr. M. M. Kapur	
Mr. W. J. M. Leith	
Mr. V. P. Mahajan	
Mr. R. C. Punshi	
Mr. B. K. Sarronwala	} Gillanders Arbuthnot & Co., Ltd.
Mr. F. G. Turner	
Mr. G. A. Whitaker	
Mr. G. J. Duncan	} James Finlay & Co., Ltd.
Mr. H. W. G. Stamper	
Mr. S. K. Mehera	
Mr. J. Bain	
Mr. R. N. Deogun	
Mr. S. K. Mitra	
Mr. R. T. K. Muir	
Mr. D. N. Pearson	
Mr. D. Sabikhi	} James Warren & Co. (India) Ltd.
Mr. S. R. Stephens	
Mr. J. R. C. Whettem	
Mr. M. R. Smith	
Mr. S. G. B. Brown, O.B.E.	
Mr. P. B. Datta	} James Warren & Co. (India) Ltd.
Sir Richard Duckworth, Bart	
Mr. F. L. Knights	
Mr. V. V. Parekh	}

Mr. C. D. Kabra	Kettlewell Bullen & Co., Ltd.
Mr. C. R. F. Mackenzie	} Amluckie Tea Co., Ltd.
Mr. R. B. Andrew	
Mr. F. R. J. Bagley	
Mr. B. P. Bajoria	
Mr. H. R. Shah	} Octavius Steel & Co., Ltd.
Mr. M. Goenka	
Mr. W. H. G. Baird	
Mr. S. M. Chaudhuri	
Mr. J. C. Crawford	
Mr. D. S. Jamwall	
Mr. D. N. Mukherji	
Mr. S. K. Mullick	} Okayti Tea Co., Ltd.
Mr. R. C. Karnani	
Mr. V. P. Maithel	
Mr. L. C. Shaw	Shaw Wallace & Co., Ltd.
Mr. K. V. Mehta	Tyroon Tea Estate
Mr. E. H. Hannay, O.B.E.	Tirrihannah Tea Co., Ltd.
Mr. J. F. Hay	} Williamson Magor & Co., Ltd.
Mr. K. M. Kidwai	

By Invitation

Dr. J. Mackenzie, M.B.E., Ph.D.,
Deputy High Commissioner,
Mr. R. G. Marlow,
First Secretary
(Commercial)
Mr. L. W. Cooper,
Second Secretary
(Commercial)

} British High Commission.

Mr. J. M. Parsons, <i>President</i>	}	Bengal Chamber of Commerce and Industry.
Mr. T. R. Crook, <i>Secretary</i>		
Mr. W. M. Paris, <i>Deputy Secretary</i>		
Mr. M. Ghose, <i>Labour Adviser</i>		
Mr. S. K. Ghosh, <i>Chairman</i>		Indian Jute Mills Association.
Mr. R. Lall, <i>Chairman.</i>		Indian Mining Association.
Mr. A. K. Roy, I.A.S., <i>Chairman.</i>	}	Tea Board.
Mr. Prem Kumar, I.A.S. <i>Deputy Chairman</i>		
Mr. S. S. Nandkeolyar, <i>Secretary and Director of Tea Development</i>		
Mr. P. C. Rajpal, <i>Director of Tea Promotion</i>		
Mr. V. S. K. Swami, <i>Supply Officer</i>		
Mr. G. A. Duncan, <i>Chairman</i>	}	Assam Branch Indian Tea Association.
Mr. M. L. Rome, <i>Vice-Chairman</i>		
Mr. S. W. L. Campbell, <i>Chairman, Zone 1</i>		
Mr. D. G. S. Pirie, <i>Chairman, Zone 2</i>		
Mr. P. K. Bhuyan, <i>Chairman, Zone 3</i>		
Mr. E. K. Rawson-Gardiner, <i>Actg. Secretary</i>		

Mr. S. Raha, <i>Secretary, Zone 1</i>	} Assam Branch, Indian Tea Association.
Mr. S. Singh, <i>Addl. Secretary, Zone 1</i>	
Mr. M. K. Courtney, <i>Secretary, Zone 2</i>	
Mr. J. Tessier-Yandell, <i>Secretary, Zone 3</i>	
Mr. S. Basu, <i>Addl. Secretary, Zone 3</i>	
Mr. D. K. Dutta, <i>Secretary</i>	} Surma Valley Branch, Indian Tea Association.
Mr. S. K. Deb, <i>Chairman</i>	
Mr. R. K. Jaitly, <i>Secretary</i>	} Dooars Branch, Indian Tea Association.
Mr. R. L. Dasgupta, <i>Chairman</i>	
Mr. J. B. Tebbutt, <i>Vice-Chairman</i>	
Mr. T. Borooah, <i>Secretary and Labour Adviser</i>	
Mr. A. N. Banerjee, <i>President</i>	} Darjeeling Branch, Indian Tea Association.
Mr. D. F. Little, M.C., <i>Vice-President</i>	
Mr. K. M. Hutchison, <i>Secretary</i>	
Mr. R. R. Gupta, <i>Chairman</i>	} Terai Branch, Indian Tea Association.
Mr. A. Rahman, <i>President</i>	
Mr. N. K. Dutta, <i>Vice-President</i>	} Assam Tea Planters Association.

Mr. M. P. Jalan	Bharatiya Cha Parishad.
Mr. B. B. Ghose, <i>Chairman</i>	} Indian Tea Planters' Association.
Mr. D. C. Ray	
Mr. A. C. Ray	
Mr. S. N. Basu	
Mr. B. L. Newar, <i>President</i>	} Tea Association of India.
Mr. S. Kanoria, <i>Senior Vice-President</i>	
Mr. B. C. Biyani, <i>Vice-President</i>	
Mr. A. F. Macdonald, <i>Chairman</i>	} Tea Research Association.
Mr. P. K. Kanoria, <i>Vice-Chairman</i>	
Mr T. P. Banerjee, <i>Patron</i>	Terai Indian Tea Planters Association.
Mr. P. C. Chatterjee, <i>Chairman</i>	Tripara Tea Association.
Mr. P. G. Gurjer, <i>President</i>	United Planters' Association of Southern India.
Mr. A. Johnstone	Calcutta Tea Packeters Association.
Mr. U. K. Patel, <i>Chairman</i>	} Calcutta Tea Traders Association.
Mr. A. Mukherji, <i>Vice-Chairman</i>	
Mr. A. Arakie	Ispahani Ltd.
Mr. J. N. Basu	} Harrisons & Crosfield Ltd.
Mr. R. J. E. Whitworth	

Mr. F. J. Kelly	}	Lipton Ltd.
Mr. W. Johnston Stark		
Mr. D. G. S. Marsh		
Mr. D. K. Ghosh		A. Tosh & Sons Private Ltd.
Mr. D. E. H. Panter	}	Carritt Moran & Co. (P.) Ltd.
Mr. Kanwar Amarjeet Singh		
Mr. C. P. Wallis	}	W. S. Cresswell & Co. (P) Ltd.
Mr. P. N. Mitra		
Mr. N. P. Ray	}	A. W. Figgis & Co. (P) Ltd.
Mr. B. K. Daga		
Mr. F. H. S. Moore		
Mr. Sudhir Chatterjee	}	Sudhir Chatterjee & Co. (P) Ltd.
Mr. J. K. Sanyal		
Mr. B. P. Khaund	}	Tea Brokers Private Ltd
Mr. S. K. Mitra		
Mr. D. Roy	}	J. Thomas & Co. (P) Ltd.
Mr. B. K. Dube		
Mr. G. K. Jauhar		
Mr. T. A. Liddle		
Mr. P. P. Naharwar		
Mr. R. Nice		
Mr. N. J. Sethia		
Mr. T. P. Singh, I.C.S.		Additional Secretary, Ministry of Commerce.
Mr. D. R. Kohli, I.A.S.		Collector of Customs & Central Excise, West Bengal.
Mr. M. R. Krishnan		Post Master General, West Bengal.
Mr. S. K. Sen		Joint Chief Controller of Imports & Exports.

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Mr. S. K. Mukherjee, I.A.S.	Secretary, Department of Commerce and Industry, West Bengal.
Mr. S. K. Banerjee	Commissioner, Jalpaiguri Division.
Mr. S. N. Roy	Addl. Labour Commissioner, West Bengal.
Mr. V. V. Bhide	Chief Commercial Superin- tendent, E. Railway.
Mr. J. S. Peacock	British Overseas Airways Corporation.
Mr. S. C. Mukherjee	Indian Airlines Corporation.
Mr. S. K. Ganguly	Lovelock & Lewes.
Mr. B. P. Ray	Orr, Dignam & Co.
Mr. S. K. Mullick	Sanderson & Morgans.
Mr. E. A. W. Gibbs, C.B.E., <i>Chairman</i>	Calcutta Liners Conference.
Mr. H. F. Whithouse, <i>Chairman</i>	Shipping Sub-Committee, Bengal Chamber of Com- merce & Industry.
Mr. B. E. P. Broughton	Turner Morrison & Co. Ltd.
Mr. C. F. Shaw-Hamilton	} Assam Bengal Cereals Ltd.
Mr. J. L. Thom	
Mr. D. P. Kenny	
Mr. D. Still	
Mr. A. A. Norrie	} Chartered Bank.
Mr. V. R. Winton	
Mr. R. E. Penrose	Mercantile Bank Ltd.

(x)

Mr. B. K. Dutt	United Bank of India Ltd.
Mr. S. G. Spence	National & Grindlays Bank Ltd.
Mr. A. M. Mackie Mr. T. G. Mead	Hongkong & Shanghai Ban- king Corporation.
Mr. C. G. A. Batten	Alliance Insurance Co., Ltd.
Mr. D. E. Whittingham	Commercial Union Assu- rance Co., Ltd.
Mr. J. D. Donald	Guardian Assurance Co., Ltd.
Mr. M. A. Clayton	New Zealand Insurance Co., Ltd.
Mr. H. A. Whittle	Royal Insurance Co., Ltd.
Mr. H. D. R. Edwards	Royal Exchange Assurance Co., Ltd.
Maharajadhiraja Sir U. C. Mahatab	Maharaja of Burdwan.
Dr. A. Gilroy, O.B.E., <i>Principal</i>	Ross Institute of Tropical Hygiene, India Branch.
The Rt. Rev. Lakdasa De Mel	Metropolitan of India, Burma, Pakistan and Ceylon.
The Rt. Rev. R. W. Bryan	Bishop of Barackpore.
Mr. O. P. Arya	Chief of News Bureau, Economic Times.
Commander R. P. Khanna	Resident Naval Officer. Indian Navy, Calcutta.

Mr. R. L. Hards

Indian Tea Association
(London)

Mr. P. J. Parr,
• *Senior Adviser*

Mr. R. C. Mazumdar,
Calcutta Adviser

M. D. Chakravarti,
Economic Adviser

Mr. G. T. Allen, M.C.,
Shillong Adviser

Rev. P. Innes,

Mr. F. H. Stevens, O.B.E.

Dr. R. N. Bose,

}
Indian Tea Association.
}

The Chairman opened the proceedings by addressing the meeting as follows :—

GENTLEMEN :

It is my pleasure and privilege to welcome you to this, the 88th Annual General Meeting of the Indian Tea Association. I should like in particular to extend a warm welcome to our many distinguished guests and I hope they will forgive me if I do not mention each by name. I am, however, very pleased that Mr. T. P. Singh, the Additional Secretary of the Ministry of Foreign Trade—who has been intimately concerned with the affairs of the Tea Industry since the middle of last year—has been able to spare the time to be with us this morning.

Each year, the Chairman and Committee of the Association find that, amongst the many problems that come before them, one invariably dominates all their activities. In the recent past, the dominant issues have had direct bearing on the operation of the estates themselves, and have embraced such matters as the re-negotiation of labour wages under the Wage Board Agreement, and the desperately acute shortage—during 1967—of foodstuffs, with which to feed our workers.

Happily, in the past twelve months, few such headaches have arisen to impinge upon the satisfactory working of the gardens. Indeed—and this is largely thanks to our predecessors, to officials and stipendiaries of the Branches upcountry, and not least, of course, to the garden managers themselves—the working of our estates has *never* been more efficient or productive than in 1968. If, then, the supreme problem of the past year did not rest at the garden level, where did it lie? I think one might say, without exaggeration, that the whole structure of our Industry has been our greatest concern; its very future is at stake and almost all our activities have been directed to analysing the nature of the problem and to devising and co-ordinating corrective action, on both the national and international fronts.

Whilst the issues surrounding this vital matter constitute the burden of my address this morning, no review of the past twelve months would be complete without reference to one or two matters of more local moment that have concerned us.

1968 was a year in which the eminently successful activities of the estates were marred only by the North Bengal flood disaster early last October. We have felt, and expressed, deep sympathy and concern at the loss of life and property which occurred; but sympathy alone could never have been deemed enough and I am happy to place on record our gratitude to the Dooars Branch of the Association for the splendid manner in which they rallied to the assistance of the stricken population—gratitude which, I know was fully shared, both by the people of North Bengal themselves and by the State Government.

Whilst, most fortunately, our estates in the Dooars and Terai largely escaped damage in the floods, the same was not true of the gardens in the Darjeeling Hills, most of which suffered a grievous blow. About 100 estate employees lost their lives; well over 3,000 acres of tea (representing 8.5% of the total tea area) were completely destroyed in landslides, whilst about 5,000 acres of other valuable lands also suffered destruction. Havoc was wrought on garden roads, bridges, labour housing, factories and other installations, the total value of the damage to these being in the region of Rs. 1 crore.

Fortunately for this prestige sector of our Industry, management, staff and labour alike responded magnificently to the emergency, and the speed with which chaos was restored to order is greatly to their credit. In this, they were ably supported by the local authorities, but it is a matter of regret that their efforts were not matched by a like response from Government. Belated help was forthcoming but fell far short of the needs of the district ; minor modifications to replanting subsidies, and loans which few could service, were a poor substitute for direct fiscal relief.

The concessions in the 1969 Finance Bill, to which I shall be referring in greater detail later, are also of doubtful benefit to Darjeeling. Although the bulk of this District's produce goes for export, it is sold in Calcutta, largely to one buyer, and it remains to be seen to what extent the duty concessions will be passed back to the producer.

Destruction of land by nature is one thing ; compulsory acquisition by Government is quite another. The Tea Industry has for years been plagued by successive requisition orders, and managers have too often seen valuable land lie fallow, or at best, under-utilised, for many years thereafter. A Bill now before the Assam Assembly seeks to go further by ratifying the 1 : 2 formula, whereby estates may not hold, for ancillary purposes, more than twice the area held under tea. The Association, with the support of the Consultative Committee of Plantation Associations and the Tea Board, is contesting this. Whilst we recognise the needs of the landless and of agriculture, the topography of estate lands is such that they may be useless for either, or they may in fact already be employed for agricultural purposes, either by the garden or its workers. Above all, there is the need to conserve land for tea development, and a seemingly surplus area on one particular garden may in fact be vital to the future viability of the tea company in concern. We therefore appeal to the Assam Government to deal with each case on its merits rather than by arbitrary means.

Land and labour are the twin foundations on which our Industry is built. But if land matters pose certain difficulties,

labour on the whole has not. Labour relations, with only a few exceptions, have been generally satisfactory throughout the past twelve months, for which the workers, the unions and the management must share equal credit. In terms of strikes, only 232,000 man-days were lost, and, whilst this may appear an appreciable total, it will help to place it in perspective if I explain that, of these man-days, well over half related to one garden only. I must express the sincere hope that this era of comparatively satisfactory labour relations will continue and that both sides will spare no effort to this end, in the interests of the Industry from which all draw their livelihood.

Good relations apart, however, in the continued absence of an overall agreement on labour tasks, as recommended in the Wage Board Agreement of 1966, I regret I cannot yet say that labour productivity is at its optimum. True, some progress in this regard has been made locally over the past year, but this has by no means been universal, and, when the Industry is passing through an extreme financial crisis, it behoves labour to afford their fullest co-operation in ensuring the maximum efficiency of working. I must, therefore, appeal to the Unions once again to adopt a more enlightened attitude on this important matter.

In the wider sphere of labour relations, the National Commission on Labour and the Committee on Labour Welfare, set up by the Government of India, have both continued their deliberations. The Association has made appropriate depositions before both; and whilst proposals aiding the improvement of industrial relations may emanate from the National Commission, it is earnestly to be hoped that the Labour Welfare Committee will not seek to impose further burdens on the Tea Industry, where fringe benefits and facilities are already on a greater scale than in any other industry in India.

Perhaps the most significant of these benefits is the supply of foodstuffs to our staff and labour, at heavily subsidised prices. As I have already mentioned, there was happily no serious repetition in 1968/69 of the desperate food procurement situation which faced us throughout the preceding year. With the abundant harvests that India has recently enjoyed, food supplies are now

readily available and, indeed, are being pressed upon us by the State Governments, often in greater quantities than we can immediately finance.

Ostensibly, this is a very happy situation, but in Assam, if not in West Bengal, the time is perhaps not too far distant when we may be compelled to call a temporary halt to further Government supplies. In the meantime, urgent negotiations are in hand with our foodgrains agents and with their bankers, in an endeavour to secure the necessary financial support for these large forward purchases.

A matter of even greater concern in this context is the continuing high price of procurement. Whilst rice has of late been secured in Assam at moderately lower rates, and considerably lower in West Bengal, increases in the price of wheat, which constitutes two-thirds of our ration issues, have more than offset these reductions. In consequence, the gap between our procurement costs and the concessional price has continued to widen and our members' losses on this account, which amounted to Rs. 3½ crores in 1967, rose to the staggering figure of Rs. 5½ crores in 1968. This outlay alone now makes the difference between a profit and a loss on many estates.

Where does the solution lie? We have made, and continue to make, representations to the Government of Assam in regard to certain on-costs charged by the Food Corporation of India and the Apex Marketing Corporation which we do not consider to be fair or appropriate. We have also taken certain measures, through the re-organisation of our foodgrains agency—to which I shall revert in a moment—and these should assist in reducing the billing rates for cereal supply. Both of these, however, can only be relatively modest in their impact. Unfortunately also, a satisfactory overall agreement with the unions on assessment of labour khet holdings still eludes us, although *some* progress has been made in certain districts.

The real solution undoubtedly lies in growing our own cereal requirements. We now know that a well equipped and efficiently operated farm can produce foodgrains, if not at the actual price at

which we have to supply our labour, certainly at a cost very substantially below the present procurement rates. I am happy to say that a number of leading Agency Houses and tea companies have already recognised this, and are currently engaged in putting large areas under foodgrains, with a view to self-sufficiency in the not too distant future. But the record in some Houses is better than in others, probably because of the currently depressed state of the Industry and the consequent paucity of funds for capital development in agriculture. Whilst recognising these financial difficulties, I cannot too strongly emphasise the continuing need for an all-out effort towards self-sufficiency in the supply of cereals. At this particular moment in the affairs of the Industry, capital invested in foodgrains production is likely to produce considerably greater and more tangible returns than that invested in tea.

I earlier referred to the re-organisation of our foodgrains agency. At the instance of the Exchange Control authorities, Steel Brothers & Co., Ltd., who had been our agents for 26 years, surrendered the agency with effect from the 31st October, 1968. I should here like to place on record our great appreciation of all the assistance—notably in the recent past—that we have received from Steel Brothers and their officers. I should particularly like to single out for mention Messrs. Shaw-Hamilton, Thom and Kenny, the three senior officers concerned with our affairs in Steel Brothers, all of whom are shortly to be leaving India. On behalf of the Association, I should like to thank them all, most sincerely, and to wish them and their families all happiness in their retirement.

To succeed Steel Brothers, Assam Bengal Cereals Ltd. was formed by members of the Association during the year and commenced operations with effect from the 1st November, 1968. ABC, as it is customarily known, is an Indian registered company and is controlled by Indian resident shareholders. From its inception, a close working liaison with the Association has been established, and, with the degree of control now possible, it is hoped that we shall be able to effect, progressively, fairly substantial economies which should—as I mentioned earlier—be reflected in a reduction in the foodgrains billing rates.

Family Planning may not technically be a fringe benefit to staff and labour, but there can, nonetheless, be little doubt that the campaign which the Association is conducting—aided and guided by the India Branch of the Ross Institute—has brought material benefit to many of our workers' families. That more and more of them recognise this is apparent from the continued and astonishing progress. When the campaign in the Assam Valley first got under way in 1960, the birth rate per thousand was 44. Today it is well below 24. The claim that this achievement may well be a world record has been disputed by no one, and it has indeed won the plaudits of those concerned with Family Planning in the Government of India.

Much of the credit for this success must go to Dr. Alan Gilroy, the Principal of the Ross Institute, India Branch, who devised this campaign. It is with great regret that I have to state that Dr. and Mrs. Gilroy will shortly be leaving India on retirement. The record of his achievements in 20 years with the Institute will be found not only in the rapidly declining birth rate but equally in the health and well-being of our workers, to which the programmes he inspired for the eradication of malaria and tuberculosis were the principal contribution. Dr. Gilroy has earned the gratitude of all who work in Tea in North-East India.

The pride which we justly feel in such achievements as the Dooars Flood Relief Operation, the Family Planning and Grow More Food campaigns and the successful operation of the estates over the past year, is greatly tempered by the knowledge that the Industry is in no position to enjoy the luxury of self-congratulation. When the working results for 1968 become available, we expect them to show that between 40% and 70% of all tea estates in India have operated at a loss for the year—in some cases at enormous losses.

Against this background, the illusion of prosperity in the Tea Industry, that still persists in certain public quarters is—to say the least—surprising. Only a week or two ago, the fact that the foreign-owned sector of the Industry had repatriated Rs. 5 crores

as profit in a single year was called in question in Parliament. As the Minister of Foreign Trade quite rightly inferred in his reply, this sum did not represent the result of any one year's working. The Tea Industry, whether Indian or foreign-owned, has been consistently ploughing back into its estates, substantial proportions of earned profits, and, consequently, profit repatriation by the foreign sector is *several* years in arrears. The current level of repatriation therefore represents both historical profits and an accumulation of repatriation entitlements.

Be that as it may, the Rs. 5 crore figure did in fact represent—as the Minister pointed out—the product of an investment totalling Rs. 189 crores and, therefore, even *had* it been a single year's result, it would have represented little more than a 2½% return to shareholders. The same picture of depressed profitability is also presented in the latest Reserve Bank Bulletin which shows that, as long ago as 1965/66, the *total* profits after tax in the Tea Industry, expressed as a percentage of nett worth invested, had fallen to as little as 5.2%. Only one other major industry in India—textiles—fared worse; Tea was on a par with coal mining; even jute came out better, whilst many industries earned more than double the return on Tea. That, however, was three years ago. Today, even a 5.2% return seems like a poorly recollected dream.

For the causes of the Industry's gravely depressed economic circumstances, one need not look far. We are, as I have often said in the past, caught in a seemingly inexorable squeeze between, on the one hand, the spiralling cost of production and, on the other, the persistent decline in international tea prices. However, what has perhaps not always been appreciated in the past is that the one generates the other. In an Industry where rather more than 70% of the production cost rests on factors almost wholly outside our control, the producer's only substantial answer to steadily rising costs is improved productivity, and, essentially, this boils down to progressive increases in crop yields. That the Industry has succeeded, in no small measure, is illustrated by the fact that in the past five years world production of tea has risen by 218 million lbs. of which just over half is attributable to India.

Had this been balanced by a parallel increase in world consumption, price stability would have been assured but, in fact, and as amply demonstrated by no less than three authoritative surveys produced by international agencies in the past year, there is an existing imbalance between supply and demand which is expected to worsen rapidly in the immediate future. Indeed, by 1975, according to these surveys, world production will theoretically exceed demand by an amount equivalent to between 20 and 40% of India's current annual production. I say "theoretically", only because obviously long before then, many tea producers would have gone to the wall.

Our own analyses have carried the official surveys a stage further and indicate that a sizeable proportion of the world surplus ends up in the undistributed tea stocks lying in the United Kingdom. In the past five years these have increased by 35% and stand today at a level equal to almost six months' consumption in that country. Apart from the adverse effect on quality of such long storage, our analyses also show that the growth of unsold stocks in the U.K. is reflected in inverse ratio to price; so precisely that every minor fluctuation in the annual rate of stock growth is matched by an identical inverse fluctuation in price. London, of course, is not the world, but for as long as it remains the world's largest tea market, price trends at the London auction must inevitably dictate tea prices internationally.

There are admittedly many other contributory factors to the price decline; for example, the persistent use of cut-price tea as a customer-attraction in the major British chain stores. Possibly as a consequence of this, or perhaps through the application of "computerised buying", there also appears to be a progressive down-grading of the quality of the blends marketed in the U.K. As a consequence, the demand for plain filler-type teas is reasonably well maintained, while that for quality is not. We, in North-East India, who are essentially producers of quality teas, have thus borne the brunt of the price decline.

In this country, we have also seen a further consequence of the interaction of cost and price. Rising costs have increasingly

priced our teas out of the international market and enforced diversion to local sale in India at the expense of exports. This trend might be thought to have eased the world surplus situation but, in fact, the steady erosion of our export performance, over a period of years has only provided an umbrella under which competing producing countries—notably those in the African continent—have been progressively encouraged to expand their planted areas, the produce of which now goes to swell the ever-growing world surplus.

As I have implied, this vicious circle of rising production cost and falling market price is not new, but has been developing, certainly for 5 years and possibly for as many as 8 years. That it came to a head in 1968 was largely attributable to the devaluation of Sterling in late 1967, an act which compounded the inherent price decline—slashing returns to all those producing countries which had not devalued in parallel, by as much as 16%. Simultaneously, as far as we here in India were concerned, 1968 also saw an unusually sharp increase in basic production costs, principally dictated by the much higher subsidy on foodstuffs (to which I have already referred) and by substantially higher prices for fertilisers and other garden stores. The cost-price relationship was thus, finally, thrown totally out of gear.

The problem had to be tackled on two fronts. The production cost spiral, which artificially stimulates excessive crop expansion, unless arrested would lead ultimately to further price decline. Equally, the price decline, unless halted, would rapidly nullify the benefit of any cost reduction achieved.

Whilst the former is a domestic problem, the latter is not. Only a unified approach by the world's principal producing and consuming interests could achieve the balance of supply and demand necessary to restore international price stability. Fortunately, the 3rd international *ad hoc* Consultation on Tea, which had been convened by the U.N. Food and Agriculture Organisation for January 1969—the venue being Kampala, Uganda—was to provide the forum for the initiation of this approach. But nothing that had transpired at the previous Consultation, held in London early

in 1967, encouraged us to assume success at Kampala, unless a wide measure of identity of thinking was achieved beforehand.

With this object, the Association—in concert with our sister Associations in the Consultative Committee—set out to establish an international liaison, and, in the course of many thousands of miles of subsequent travel, and the numerous informal discussions which took place, a set of proposals was evolved embracing ; firstly, an international promotional campaign backed by a given percentage of each country's export earnings from tea ; secondly, regulation of world tea exports, designed to restore immediate balance to supply and demand ; thirdly a once-and-for-all *ad hoc* measure aimed at effective reduction of the unsold stock levels in London.

Although these proposals, amplified in detail, formed the basis of the Indian Tea Industry's recommendations to Government—and, I believe, found general acceptance in this country—I would not pretend that they were universally acceptable, at least in the first instance. However, I am satisfied that the broad identity of international thought, which was our primary objective, in the event found ample expression at Kampala—in the concern and sense of urgency expressed by all present at the Conference ; in the common identification of the problem ; in the wide area of specific agreement between the leading producing countries ; and even in the apparent degree of common interest between leading producers and consumers.

The terms of reference of the Working Party, set up by the Kampala Consultation to examine the problem and to place specific recommendations before the interested Governments, differ only in detail, and not in essence, from our own proposals. There is, however, one important addition ; a study of the marketing methods of tea. This subject was at the core of the Indo-Ceylon talks, which we have followed with interest over the past year. I do not subscribe to suggestions of malpractice in the auction system but, at the same time, do not consider that the machinery for getting our product across to the consumer is necessarily perfect. There are *many* avenues to explore, and the possibility of adapting or supplementing the auction system is only one of them.

I think we must ask ourselves if we, as tea producers, and our friends in the Trade are not perhaps too conservative in a highly competitive beverage market. Do we really offer the consumer what he wants—or might be persuaded to want: in different age groups, in varying social circumstances, or even in differing climatic conditions? Could we not, perhaps, profit by the example of the United States tea trade, which has boosted consumption in that country by 10% in the past 5 years, largely by offering tea in the proverbial 57 varieties: conventionally, in tea bags, or in instant form; hot, cold or iced; aerated or flavoured or both; in cartons, bottles or cans?

These aspects are of course bound up with promotion, and since I believe that an all-embracing international body, set up to pursue such objectives, could do so much more effectively than any smaller body created by one or two producing countries without distributor backing, I hope that the FAO Working Party will give these matters the most careful consideration. However, we would be deceiving ourselves if we assumed that any new international campaign for promotion and marketing, no matter how well conceived and financed, could achieve quick results. Progress must inevitably be slow, even if steady, and I cannot but feel that, unpalatable though regulation of supply or exports may appear, there is in fact no immediately effective alternative if the world tea industry is to be salvaged.

I also feel that, given the goodwill and the degree of flexibility in negotiation apparent at Kampala, a scheme of regulation can be evolved which will meet the reasonable aspirations of all producing and consuming interests—and this, particularly if the Working Party narrows the field of controversy by confining its proposals to those producing countries whose production is, or is likely to be, sufficiently substantial to have a material impact on the world market. I suggest this could readily be achieved by setting a minimum production level for the application of such recommendations as may be framed.

The Working Party is to meet in Rome on the 6th of next month (April) and the next session of the FAO's Committee on

Commodity Problems has been provisionally called for September. However, although the progress made in a few days at Kampala may have brought us to a level of accord only achieved after years of negotiation in other commodities, I must stress that there is no quick or easy path to an International Commodity Agreement ; certainly not one which could, by itself, ensure restoration of economic working in the Indian Tea Industry in 1969. It thus became apparent, on the conclusion of the Kampala Conference, that unless the other aspect of our problem—namely a substantial reduction in our operating costs—could be resolved promptly, the risk of total economic collapse of the Indian Tea Industry during the current year was very real.

Where were we to look for the economies of operation necessary to this end ? I have already mentioned that rather more than 70% of our costs—in terms of labour wages, fringe benefits, fertilisers, fuel and transport costs, and so on—rest on factors outside our control. But there is one item in our costs, which has latterly constituted rather more than 25% of the whole, that is not essential to the business of producing tea. I refer to taxation, in the forms of Export Duty, Excise Duty, Assam Carriage Tax and West Bengal Entry Tax to which is now added the threat of a Calcutta Octroi. In the past 5 years, when our basic costs of production have risen by just over 19%, the total burden of such taxes rose by no less than 200%. Let me also make it quite clear that it is only these taxes—which cannot under an auction system of sale be passed on to the buyer—that have made the difference between the economic prosperity of the Tea Industry in India and that in other countries. We, in North-East India, are in fact the world's *lowest cost* producers, notwithstanding the recent increase in our basic production costs. Freed only of Export Duty and Excise Duty, we could land our teas on the principal international market at an average of one or two pence less per lb. than any of our principal competitors.

Whatever the original justification for the imposition of these taxes, it progressively diminished as international prices declined ; and, at least as far as Export Duty is concerned, ceased totally when prices slumped by 16% following the devaluation of

Sterling. The Industry's case was presented through the Consultative Committee of Plantation Associations, and was reiterated on numerous occasions in both written and verbal representations. It not only won the support of the Borooah Committee, of which I had the privilege of being a member, but I am happy to record that it also won the progressive sympathy of both the Tea Board and the then Ministry of Commerce. Unfortunately, the tax gatherers were less quick to respond and the first practical outcome of our representations—the marginal relief granted on the 1st October, 1968—came as a bitter disappointment to the Industry.

Although we welcomed the new subsidy for replanting, its utility in the economic circumstances of the Industry was severely limited, as few could afford the loss of crop entailed by uprooting even the lowest-yielding tea areas. As for the rest: the modest adjustments in Excise and Export Duties could not be regarded as other than a token gesture. In its subsequent representations to Government, the Consultative Committee was able to demonstrate that it would require the equivalent of total abolition of Export Duty and a reduction in Excise Duty of the order of 60%, only to restore the Indian Tea Industry's economic parity to that prevailing as recently as in 1967.

It was with great anxiety that we awaited Budget Day. In the knowledge that I was to make this address only seven days after the publication of the Finance Bill, I wondered whether I would, as usual, have to express our complete disappointment or, at best, total indifference; or whether I would, for the first time, be in a position to voice—if not total satisfaction, since Governments are seldom so generous—at least appreciation of a realistic measure of fiscal relief.

In the event, none of these definitions fitted the bill. We are certainly not indifferent to the Finance Minister's concessions, nor are we altogether disappointed. In effect, Export Duty has been cut by rather more than 50%, on present selling prices, and when coupled with the relief granted last October, we have now gone about half way towards the full fiscal concessions originally

sought. Whilst this may fall short of "realistic relief", we nonetheless welcome a significant measure of assistance. I must repeat, however, that the originally stated justification for the imposition of •Export Duty on tea ceased to exist as long ago as November, 1967, and we earnestly hope that the two phases of relief so far granted are but stages towards the early removal of the remaining element of this tax. I would also appeal to the Finance Minister to exempt the Tea Industry from the new excise levy on fertilisers. The Finance Bill makes it clear that this impost is directed at the agriculturist but the fact is that it will also immediately absorb some portion of the relief to Tea.

In the context of the concessions in the Finance Bill, I must express our appreciation of the Assam Government's timely support for the Industry's case. We are also encouraged by the knowledge that this State Government has lately held talks with the Government of West Bengal, aimed at the withdrawal of the Assam Carriage Tax, and West Bengal Entry Tax. In addition, we have been informed that the long-sought re-structuring of the Excise Zones is now under examination by the authorities—a measure which could result in very real assistance, particularly to our quality producers, who bear an excise burden that is quite disproportionate to the modest premium they now earn on sales. I sincerely hope that these straws in the wind indicate a more enlightened approach to our economic problems, and that action will result which will once again restore the Indian Tea Industry to its rightful position in the national economy and in the international tea market.

The unity and identity of purpose between the various sectors of our Industry has never been more apparent than in the past year. We and our Sister Associations have found common cause in our representations, both national and international; and the Consultative Committee, of which I had the privilege of being Chairman during the year under review, has effectively operated as the voice of the Plantation Industry. Encouraged by this trend, and with the support of certain sister Associations, we have spent some time and energy endeavouring to knit this consultative group into a formally constituted council that would serve as an apex organisation for the Plantation Industry.

I regret that only in this matter did full identity of opinion between all sectors of the Industry elude us. But I remain confident that the Consultative Committee, in whatever form, will continue to serve the Industry's interests no less effectively than it has these past twelve months.

I have already made a passing reference to the Borooah Committee. As a member, I am precluded from commenting until such time as the Committee's final report, which was submitted last November, is published by Government. I am certain, however, that I would give no offence if I said that the report constitutes the most important survey of our Industry in recent years. Its far-reaching recommendations, if ultimately adopted in full by Government, would radically alter for the better the entire economy of the Tea Industry in this country, and there is no better tribute to the sincere and untiring efforts of the Committee's Chairman, Mr. P. C. Borooah, than the report itself.

My year of office also carried with it the honour and privilege of membership of the Tea Board, and brought me into close and continuous liaison with its new Chairman, Mr. A. K. Roy, and his Deputy, Mr. Prem Kumar. No aspect of my duties has given me greater pleasure. In these two gentlemen, the Board not only has leaders of exceptional ability, but men who have acquired real depth of understanding of the Tea Industry's problems. I am greatly indebted to them, and to their officers, for all the advice and assistance they have so readily afforded, not only myself, but the Industry as a whole.

My thanks are also due to the members of the Association's General Committee; to those who devoted so much of their time to sub-Committee work; and not least, to the man who has sat at my right hand for the past twelve months: my Vice-Chairman, Mr. Malcolm Lamond. I am exceedingly grateful to him for his constant support and wise counsel, and for holding the fort so ably during my frequent absences.

Indeed, the I.T.A. Chairman is fortunate to have many right hands. The Association's executive, led by Mr. Parr, and including

Mr. Mazumdar, Mr. Robertson, Mr. D'Souza and Mr. Chakarvarti, is a well-knit and thoroughly effective team. It has been a privilege to work with these gentlemen, and I am warmly appreciative of all their help, guidance and many kindnesses.

Finally, I wish to thank Mr. J. M. Parsons and my colleagues on the Board of Macneill & Barry Ltd. for having permitted me to serve the Association in a year, which—if it did not see fulfilment of all our hopes—may yet be seen as having brought the first signs of new hope for the future of the Indian Tea Industry.

(Applause)

The Chairman then asked Mr. M. Lamond to address the meeting. Mr. Lamond rose and spoke as follows :

MR. CHAIRMAN AND GENTLEMEN,

It gives me great pleasure that I should have the privilege today of expressing the Association's thanks for the valuable help and co-operation we have received from all the up-country Branches in the past twelve months.

The planting community has long been renowned for its capacity to cope with any emergency. Whilst, therefore, old stalwarts are missed as they leave on well-earned retirement it is a source of pride to all of us that following the flood disaster last October our planters in North Bengal proved by the spontaneous and effective manner in which they organised local relief measures that, despite all the changes of recent years, this tradition remains in safe hands.

However, though occasions like these may hit the headlines, the strength of our Association lies in the cheerful and competent manner in which the Branches co-operate with us in dealing with the myriad day-to-day problems that beset us in the running of this great Industry. Without their aid we could not continue to operate as an effective body and we are, therefore, indebted to the five Branch Chairmen, the Stipendiaries and, with them, all the many honorary officials who, down to Circle and Sub-district level, so willingly give of their time and leisure to assist in the local administration of our affairs.

We from Calcutta are also most grateful to our up-country friends and their wives for the warm welcome and generous hospitality we invariably enjoy when we visit them. I should like to take this opportunity to pay special tribute to the latter who, quietly behind the scenes, support their husbands in their work and contribute in so many ways to the smooth functioning of the Association's activities in the Tea Districts. *(Applause)*

Mr. S. Prashad then rose and stated that he wished to be associated with Mr. Lamond's remarks.

The Chairman then asked Mr. S. B. Deb to address the meeting. Mr. Deb rose and spoke as follows :

I have been given the responsibility by my colleagues of saying a few words about the Calcutta Committee.

Sir! I and my colleagues have a grievance against the Committee but I find it difficult to express this grievance. 1968 was a very difficult year for the Tea Industry and difficulties and problems kept arising as fast as these were disposed of. Our grievance is that the Calcutta Committee failed to keep to its popular reputation prevalent with the planting community that, the brass hats, who sit in air-conditioned offices in Calcutta, are completely divorced from planting problems and have disproved their reputation by dealing with problems so capably and ably as and when these arose.

They have shattered our image of Calcutta. To give you an example—on one occasion my Secretary, Ramesh Jaitly, came to my bungalow at Serispore late on a Monday evening to consult me in respect of some important problems to be discussed at the General Committee Meeting to be held on Wednesday. I felt the necessity of Calcutta's help in the matter and I booked a trunk, call to Peter Parr's residence in Calcutta late that evening. Peter was asleep but I persuaded his bearer to wake him up and talked to him. As a result, within 16 hours of the call the Cachar Sub-Committee Chairman, Mr. Madhab Goenka, was with us and through his help and guidance we were able to find solution to our

problems—our other Branches had also the similar experience of promptness from Calcutta.

I, therefore, most sincerely on behalf of all the upcountry branches, have the greatest pleasure and privilege of moving a hearty vote of thanks to Charles Will, Malcolm Lamond and all the other members of the Association's Committee, for looking after our interest so well.

We also thank Peter Parr and Ronnie Mazumdar for their unceasing help, research and advice to make our work easier upcountry.

Sir, I take my seat as a most grateful and disillusioned man.

(Applause)

Mr. A. N. Banerjee then rose and said that he wished to be fully associated with Mr. Deb's thanks to the Calcutta Committee.

The Chairman then rose and thanked Mr. Deb and Mr. Banerjee for their kind remarks and for their generous tribute to the work that the Calcutta Committee had done on the Association's behalf.

The Chairman then announced a short interval to allow the guests to withdraw.

On the meeting being resumed the Chairman asked if there were any comments on the Annual Report and/or the Accounts and as none were forthcoming he continued as follows :—

“As there are no comments I move the following resolution :

Resolved that the report for the year ended 31st December, 1968 be adopted and that the Accounts for the same period as audited be passed as correct”.

The resolution was seconded by Mr. M. Lamond and on being put to the meeting was carried unanimously.

(xxx)

Mr. M. Lamond then addressed the meeting as follows :—

MR. CHAIRMAN AND GENTLEMEN,

It is my duty to propose the rate of subscription for 1969 but before I do so I should like to make a few observations regarding the budget.

The General Committee have set up a Sub-Committee to examine the possibility of achieving further economies and it is hoped that savings will be possible. However, as you will observe from the printed note in your possession, the budget at present provides for expenditure totalling Rs. 25,58,162 of which Rs. 3,90,000 is expected to be recovered from income on investments and royalties etc. to leave a balance of Rs. 21,68,162/-. This would entail a subscription rate of Rs. 1.23 P per quintal but taking into account the present recession and the need to keep garden working costs to the minimum, the General Committee have decided that it is proper on the occasion to draw on Reserves, which now total over Rs. 14,00,000, to meet Rs. 2,19,075 of this expenditure. This will bring the subscription rate down to Rs. 1.10 per quintal.

I now have pleasure in moving the following resolution :

Resolved that the rate of subscription for the current year from each garden in the membership of the Association be fixed at Rs. 1.10 per quintal on the average of its annual crop for the years 1965, 1966 and 1967.

This resolution was seconded by Mr. F. P. D. Hurst and on being put to the vote was carried unanimously. The Chairman then said :

“I will now read the Report of Mr. D. Sabikhi and Mr. R. L. Rikhye who scrutinised the voting papers for the election of the General Committee for the year 1969. Before I do so, I should like to offer my thanks to these gentlemen for the trouble which they have taken on our behalf,

Their report reads as follows :—

“ We beg to report that we have examined 114 voting papers for the election of the General Committee of the Indian Tea Association for the year 1969 and that, by the votes recorded on these papers, the following firms have been elected to constitute, by their representatives, the General Committee of the Indian Tea Association for the year 1969 :—

Amluckie Tea Co., Ltd.
Andrew Yule & Co., Ltd.
Balmer Lawrie & Co., Ltd.
Brooke Bond Estates Ltd.
Davenport & Co., Private Ltd.
Duncan Brothers & Co., Ltd.
Gillanders Arbuthnot & Co., Ltd.
James Finlay & Co., Ltd.
James Warren & Co., India Ltd.
Jardine Henderson Ltd.
Macneill & Barry Ltd.
Octavius Steel & Co., Ltd.
Shaw Wallace & Co., Ltd.
Williamson Magor & Co., Ltd.’

That, Gentlemen, concludes our proceedings. Thank you.”

A. T. ROBERTSON
Assistant Secretary.

C. J. N. WILL
Chairman.

REPORT
INDIAN TEA ASSOCIATION
1968

INDIAN TEA ASSOCIATION

REPORT OF THE GENERAL COMMITTEE FOR THE YEAR ENDED 31ST DECEMBER, 1968.

The General Committee have pleasure in presenting to members their report on the work of the Association during their period of office.

Membership.—Resignations.—The following tea companies and tea estates resigned from the membership of the Association during the year:

Baghmari Tea Co., Ltd.
Carron Tea Co., Ltd.
Rungmook & Cedars Tea Estates

The membership area of the Association as at 31st December 1968 stood at 146,279 hectares as compared with 146,210 and 145,201 hectares as at 31st December 1967 and 1966 respectively.

General Committee, Chairman and Vice-Chairman.—At the Annual General Meeting of the Association held on the 8th March, 1968, the following companies were declared elected by the vote of members to constitute the General Committee for the year 1968, and the representatives of the companies who constituted the Committee during the year were as follows:—

Andrew Yule & Co., Ltd.	{ Mr. F. P. D. Hurst Mr. A. Mukherji
Balmer Lawrie & Co., Ltd.	Mr. V. K. Chaudhri
Brooke Bond Estates India Ltd.	{ Mr. H. Massie-Taylor Mr. J. B. Brighouse Mr. D. K. Nag

Davenport & Co., Private Ltd.	{ Mr. B. P. Bajoria Mr. S. Prashad
Duncan Brothers & Co., Ltd.	{ Mr. R. L. Mellor Mr. M. S. Christie
Gillanders Arbuthnot & Co., Ltd.	{ Mr. G. A. Whitaker, M.B.E., M.C. Mr. G. J. Duncan
James Finlay & Co., Ltd.	Mr. S. K. Mehera
James Warren & Co., (India) Ltd.	{ Mr. M. R. Smith Mr. V. V. Parekh
Jardine Henderson Ltd.	{ Mr. M. Lamond Mr. B. N. Varma
McLeod & Co., Ltd.	{ Mr. H. R. Shah Mr. C. R. F. Mackenzie
Macneill & Barry Ltd.	Mr. C. J. N. Will
Octavius Steel & Co., Ltd.	{ Mr. M. Goenka Mr. J. C. Crawford
Shaw Wallace & Co., Ltd.	Mr. P. Steyn, M.C.
Williamson Magor & Co., Ltd.	{ Mr. E. H. Hannay, O.B.E. Mr. M. J. Griffiths

At the first meeting of the General Committee held on the 12th March 1968, Mr. C. J. N. Will of Macneill & Barry Ltd., was elected Chairman of the Association and Mr. M. Lamond of Jardine Henderson Ltd. was elected Vice-Chairman.

Sub-Committees.— The following Sub-Committees were constituted during the year 1968:—

Assam Sub-Committee

{ Mr. M. Lamond, <i>Chairman</i>	Mr. P. D. Hector
{ Mr. B. N. Varma	Mr. S. K. Mehera
Mr. V. K. Chaudhri	Mr. M. R. Smith
{ Mr. E. H. Hannay, O.B.E.	Mr. P. Steyn, M.C.
{ Mr. M. J. Griffiths	

West Bengal Sub-Committee

{	Mr. R. L. Mellor, <i>Chairman</i>	{	Mr. M. Lamond
	Mr. G. P. Goenka		Mr. B. N. Varma
{	Mr. F. P. D. Hurst,	{	Mr. C. R. F. Mackenzie
	<i>Vice-Chairman</i>		Mr. S. K. Mehera
	Mr. A. Mukherji		Mr. S. Prashad
	Mr. G. J. Duncan		Mr. R. L. Rikhye
{	Mr. M. Goenka	{	Mr. P. Steyn, M.C.
	Mr. J. C. Crawford		

Cachar Sub-Committee

{	Mr. M. Goenka, <i>Chairman</i>	{	Mr. P. D. Hector
	Mr. J. C. Crawford		
	Mr. P. B. Datta	{	Mr. V. P. Mahajan
	Mr. B. S. Garewal		Mr. R. L. Mellor

Scientific Sub-Committee

{	Mr. G. A. Whitaker, M.B.E.,	{	Mr. C. R. F. Mackenzie
	M.C., <i>Chairman</i>		Mr. H. Massie-Taylor
{	Mr. G. J. Duncan		Mr. J. B. Brighthouse
	Mr. J. D. W. Allan		Mr. D. K. Nag
{	Mr. M. Goenka	{	Mr. S. K. Mehera
	Mr. J. C. Crawford		Mr. P. G. Sandys
	Mr. P. D. Hector		Lumsdaine
	Mr. F. P. D. Hurst		Mr. M. R. Smith
{	Mr. M. Lamond	{	Mr. P. Steyn, M. C.
	Mr. B. N. Varma		Mr. J. D. Willis

Finance & Taxation Sub-Committee

Mr. S. K. Ganguly, <i>Chairman</i>	Mr. D. R. Jha
Mr. S. P. Acharya	Mr. L. R. Puri
Mr. P. K. Bose	Mr. S. Ramakrishnan

Calcutta Port, Supplies and Transport Sub-Committee

Mr. A. Mukherji, <i>Chairman</i>	Mr. J. Duncan
Mr. S. Bhattacharya	Mr. F. P. D. Hurst
Mr. S. C. Bahadurji	Mr. S. Menon
Mr. M. J. Chaytor	Mr. D. Sabikhi
Mr. V. M. Crishna	Mr. S. C. Boucher (for warehouse matters)

General Engineering and Technical Sub-Committee

{	Mr. G. A. Whitaker, M.B.E., M.C., <i>Chairman</i>	Mr. M. Lamond • <i>Vice-Chairman</i>
		Mr. J. Bain
	Mr. G. J. Duncan	Mr. W. J. M. Leith

Staff at Calcutta and Shillong.— The Association's staff at present consists of Mr. P. J. Parr, the Senior Adviser, Mr. R. C. Mazumdar, the Calcutta Adviser and Mr. D. Chakravarti, the Economic Adviser.

Mr. G. T. Allen, M.C. continued to serve as the Association's Adviser at Shillong during the year. When he was on leave Mr. E. K. Rawson-Gardiner acted as the Shillong Adviser.

The Association's secretarial work continued to be performed by the Bengal Chamber of Commerce & Industry, from whose staff Mr. A. T. Robertson, Mr. J. L. Laing and Mr. J. D'Souza were deputed to attend to the Association's work.

Stipendiary Staff of the Association at the Branches.—The upcountry stipendiary staff was strengthened during the year by the appointment of Mr. S. Basu in July 1968.

Mr. J. R. Gee Smyth, who had been serving on deputation as Administrative Controller, Tocklai Experimental Station, retired from India in April 1968.

The staff postings at the time of writing are as follows:—

Assam Branch

Headquarters

Secretary & Labour Adviser Mr. D. K. Dutta

Zone 1

Secretary/Labour Adviser Mr. S. Raha

Additional Secretary/ Labour
Adviser Mr. S. Singh

Zone 2.

Secretary/Labour Adviser Mr. M. K. Courtney

Additional Secretary/Labour
Adviser Mr. S. Basu

Zone 3

Secretary/Labour Adviser Mr. E. K. Rawson-Gardiner

Additional Secretary/Labour
Adviser Mr. J. Tessier-Yandell

Surma Valley Branch

Secretary/Labour Adviser Mr. R. K. Jaitly

Dooars Branch

Secretary & Labour Adviser Mr. T. Borooah

Joint Secretary & Labour
Adviser Mr. K. N. Sircar

Addl. Labour Adviser Brig. S. N. Mitra (Retd.)

Darjeeling Branch

Secretary & Labour Adviser Mr. K. M. Hutchison

Terai Branch

Secretary Mr. J. D. Gabriel

Statistical Department.— Under the control of the Association's Economic Adviser, the Statistical Department provided a valuable service to the Association and continued to maintain the usual statistics relating to the North Indian crop, housing, medical facilities, area under tea and labour employed on tea estates in the membership of the Association. The Department also provided useful material for the various representations made by the Association to the Central and State Governments and other official bodies.

The Tea Board. (1) *The Board.*—The Association was represented on the Tea Board by the following gentlemen—

Mr. D. B. Wallace

Mr. A. F. Macdonald

Mr. H. W. Scallan

Mr. F. H. Stroud

Mr. D. B. Wallace resigned his appointment in March 1968 and Mr. C. J. N. Will was appointed a member of the Board in his place.

(2) *Licensing Committee.*—Rule 12 of the Tea Rules, 1954 provides for the constitution of two Licensing Committees—one for North India and the other for South India. The Association's representative on the North India Committee during the year was Mr. H. W. Scallan.

(3) *Labour Welfare Committee.*—The Association was represented on the Labour Welfare Committee of the Tea Board by Mr. F. H. Stroud and Mr. C. J. N. Will.

(4) *Ad Hoc Tea Research Liaison Committee.*—One of the functions of the Tea Board is to undertake, assist or

encourage scientific, technological and economic research, and the task of making representations for this purpose is allotted to the Tea Board's *Ad Hoc* Tea Research Liaison Committee on which the Association was represented by Mr. A. F. Macdonald and Mr. P. J. Parr.

(5) *Ad Hoc Committee on Tea Chests*.—The Association was represented on the *Ad Hoc* Committee on Tea Chests by Mr. C. J. N. Will.

(6) *Ad Hoc Planning Committee*.—The Association was represented on the *Ad Hoc* Planning Committee of the Tea Board by Mr. A. F. Macdonald.

Indian Standards Institution.—The Association continued its membership of the Indian Standards Institution during 1968 and was represented on the following Committees of the Institution :—

(1) *Tea Sectional Committee*—by the Senior Adviser of the Association or his representative.

This Committee held a meeting in New Delhi on the 26th and 27th September, 1968, which was attended by Mr. A. Mukherji on behalf of the Senior Adviser. The main purpose of the meeting was to prepare a brief for the Indian Delegation which would be attending the meeting of the Stimulant Food Sub-Committee of the Technical Committee (Agricultural Food Products) of the International Organisation for Standardisation (ISO) to be held in London on the 25th October, 1968.

The agenda for the ISO meeting included the consideration of a draft International Specification for tea prepared by the British Standards Institution. The proposed standard is somewhat higher than the Indian Standard Specification and the Tea Sectional Committee therefore decided that the Indian Delegation should press for the Indian Standard to be adopted

by the ISO. In the event that the Indian view was not acceptable, the delegation was authorised to compromise on slightly higher limits. On the specification for crude fibre it was agreed that the limit should be 15 per cent on a dry or 17 per cent on an "as is" basis.

(2) *Wood Products Sectional Committee and the Plywood Sub-Committee*—by Mr. K. M. Kidwai of Williamson Magor & Co. Ltd., and Mr. J. Bain of James Finlay & Co. Ltd., as principal and alternate representatives respectively.

(3) *Paper Products and Packing Materials Sectional Committee*—by Mr. K. M. Kidwai of Williamson Magor & Co. Ltd. and Mr. D. K. Nag of Brooke Bond Estates India Ltd.

(4) *Agricultural and Food Products Division Council*—by Mr. G. A. Whitaker, M.B.E., M.C. of Gillanders Arbuthnot & Co. Ltd. and Dr. K. S. Venkataramani, Chief Scientific Officer, UPASI Research Station, as principal and alternate representatives respectively.

(5) *Fire Sectional Committee*—In last year's report it was recorded that the Association had been asked for its comments on the following draft Indian Standards prepared by the Indian Standards Institution :

- (a) Code of Practice for fire safety of industrial buildings : General Storage and Warehousing including cold storage, and
- (b) Code of Practice for fire safety of industrial buildings : Tea factories,

and that as a result of the comments submitted a fresh draft standard for tea factories had been circulated.

This revised draft was considered at a meeting of the Eastern Zone Industrial Fire Safety Sub-Committee of the Fire Sectional Committee of the ISI held on the 8th April, 1968. At

this meeting the Association's suggestions were generally accepted but differences of opinion arose on the following points:—

- (i) *Scope* :—The Association considered that the paragraph on the scope of the Standard should be modified to make it clear than the Standard outlined desirable provisions with regard to fire safety aspects for new factories or new additions to existing factories which constituted a separate manufacturing unit.
- (ii) *Clause 5:6* :—The Association considered that no restrictions on the size of a factory should be imposed and that the provision requiring separating walls to be provided so as to limit the area of the factory to 5000 square meters should be deleted. It was felt that such a restriction would militate against a continuous system of manufacture.
- (iii) *11:2 & 11:3 Fire-fighting Arrangements* :—The Association considered that it was impracticable to suggest that all tea factories should be provided with trailer pumps of 2250 litres capacity and underground water tanks of 22,500 litres capacity because in areas such as Darjeeling the storage and availability of water was often a problem. It was proposed therefore that the standard should stipulate that adequate supplies of water should be available for fire-fighting purposes.

The Association's objections were considered at a meeting of the Fire Sectional Committee held on the 28th September, 1968, which was attended on behalf of the Association by Mr. D. N. Barbora, Senior Research Engineer, Tocklai Experimental Station. The Association's views were recorded and it was agreed that the specifications should be re-examined by the Eastern Zonal Sub-Committee in the light of these views and that the standard should be finalised after a visit to one or two factories.

Towards the end of the year, however, the Association was surprised to learn from the ISI that the specifications had been finalised and sent for printing. The Association objected to this unilateral action as it appeared that the Association's views on the three points of difference had not been taken into account. The Indian Standards Institution has been advised that the standard is not acceptable to Association and it is hoped that further consideration will be given to the Association's objections.

Representation of the Association on Various Bodies.—
The Association was represented on various public bodies during 1968 as follows :—

- (a) The Governing Body of the Endowment Fund of the School of Tropical Medicine, Calcutta, by Mr. A. F. Macdonald.
- (b) The Committee of Control of the Ross Institute of Tropical Hygiene, India Branch, by Mr. A. F. Macdonald.
- (c) The Eastern Regional Committee of the Central Commercial Representation Fund by Mr. C. J. N. Will.
- (d) The Railway Rates Advisory Committee by Mr. M. R. Smith.
- (e) The West Bengal Leprosy Association by Mr. S. Menon.
- (f) The West Bengal Pradesh Committee of the Sardar Vallabhbhai Patel Memorial Fund by Mr. G. A. Whitaker, M.B.E., M.C.
- (g) The North Bengal Flood Advisory Committee by Mr. G. F. Gay.

- (h) The Minimum Wages (Central) Advisory Board by Mr. P. J. Parr.
- (i) The West Bengal State Electricity Consultative Council by Sir Richard Duckworth, Bt.
- (j) The West Bengal Family Planning Committee by Mr. A. F. Macdonald.
- (k) The Export Sub-Committee of the Bengal Chamber of Commerce and Industry by Mr. C. J. N. Will.
- (l) The Labour Relations Sub-Committee of the Bengal Chamber of Commerce & Industry by Mr. P. J. Parr.
- (m) The National Small Savings Sub-Committee of the Bengal Chamber of Commerce & Industry by Mr. M. Lamond.
- (n) The Agriculture Sub-Committee of the Bengal Chamber of Commerce and Industry by Mr. M. Lamond.
- (o) The Managing Committee of the Federation of Indian Export Organisations by Mr. M. Lamond.
- (p) The Committee of the Eastern India Shippers Association by Mr. A. Mukherji.

Indian Tea Association (London). As in the past the General Committee corresponded throughout the year with the Indian Tea Association (London) on all matters of common interest, and liaison between the two Associations was greatly facilitated by an interchange of visits which made possible discussions on the many problems that confronted the industry in 1968.

Mr. S. H. Davies, M.C., Chairman of the London Association, visited India from January to March, 1968 and was invited to become an honorary member of the Association's

General Committee. Similar invitations were also issued to Mr. R. L. Hards, Mr. G. W. U. Liddle, M.B.E., and Mr. I. F. Morriss, O.B.E. of the London Committee who visited India in the early months of 1968.

The customary annual discussions with the London Committee were held in July, 1968 and were attended by the Chairman and Senior Adviser.

Mr. M. Lamond, the Association's Vice-Chairman, was invited to become an honorary member of the London Committee when he was on leave in the U.K.

United Planters' Association of Southern India.—As in the past, liaison has been maintained with the United Planters' Association of Southern India by an exchange of views on all matters of importance to the Tea Industry. The South Indian Association was represented at various meetings of the Consultative Committee of Plantation Associations held in Calcutta.

The Chairman and Senior Adviser visited South India in August to attend the Annual General meeting of the United Planters' Association of Southern India. The Senior Adviser joined a UPASI delegation which visited New Delhi in October to bring to Government's attention certain developments on the labour front in the South and in Kerala in particular, which could be of far-reaching consequence to the Plantation Industries. The Senior Adviser also attended a meeting of the Executive Committee of UPASI held at Cochin in November at which the Kerala Government's proposals for the revision of minimum wages for rubber and tea plantation workers were discussed.

The Consultative Committee of Plantation Associations submitted representations to the Government of India in sup-

port of representations made by UPASI on the following subjects :—

Kerala Land Reforms (Amendment) Bill, 1968

Kerala Private Forests (Acquisition) Bill, 1968

Plantations Labour (Kerala Amendment) Bill, 1968.

Kerala Industrial Employees (Payment of Gratuity) Bill, 1968.

Kerala Industrial Workers (Regulation of discharge, dismissal, and other forms of termination of Services) Bill, 1968.

*Kerala Toddy Tappers Welfare Fund Bill, 1968.

The Branch and District Associations.— The various Branch and District Planters Associations with whom the Association corresponded on all matters of interest to producers were as follows :

*Membership area in
hectares*

Assam Branch Indian Tea Association	1,00,569
United Planters' Association of Southern India	54,755
Doors Branch Indian Tea Association	43,719
Tea Association of India	42,841
Indian Tea Planters' Association, Jalpaiguri	23,623
Assam Tea Planters' Association	22,548
Darjeeling Branch Indian Tea Association	16,494
Surma Valley Branch Indian Tea Association	14,133
Bharatiya Cha Parishad	13,664
Surma Valley Indian Tea Planters' Association	7,361
Terai Branch Indian Tea Association	6,054
Terai Indian Planters' Association	4,888
Tripura Tea Association	4,787
Kangra Valley Indian Planters' Association	3,890
Dehra Dun Tea Planters' Association	1,321

Consultative Committee of Plantation Associations.—The Consultative Committee of Plantation Associations continued to function throughout the year and held nine meetings in Calcutta.

The Consultative Committee served a very useful purpose and enabled producers' views on various matters of interest and concern to the Tea Industry to be exchanged. Discussions during the year covered the following main subjects:—

(i) *Reorganisation of the Committee.*—Proposals for the reorganisation of the Consultative Committee were examined in great detail but it was eventually decided that the status quo should be maintained for the time being.

(ii) *Relief for the Tea Industry.*—Several representations were made during the year to the Government of India asking for relief for the Tea Industry by way of reduction in the Export Duty and drawback of Excise Duty on exported teas; and these representations were followed up by delegations which presented the Industry's case for relief in person before the Ministers and officials of the Government of India.

(iii) *Indo-Ceylon Talks.*—The Committee was represented at the talks by Mr. P. K. Kanoria.

(iv) *International Tea Situation.*—Consideration was given to the international tea situation and briefs were prepared for the Government of India's delegation to the *Ad Hoc* F.A.O. Consultation on Tea held in Kampala early in January 1969.

(v) *Development Allowance.*—The Committee recommended the setting up of panels of assessors consisting of experienced tea planters to carry out inspections of planting and replanting operations in connection with the issue of Development Allowance certificates by the Tea Board.

(vi) *South India Affairs.*—Consideration was given to the problems of tea estates in South India arising from the Kerala Government's endeavours to increase wages in plantations under the Minimum Wages Act in spite of the Wage Board agreements. The problems arising from the introduction of Land Reform Legislation by the Kerala Government also received consideration, and representations were made by the Committee to the Central Government and the Tea Board.

All these matters are dealt with in greater detail elsewhere in this report.

Tea Research Association.— (1) *Council of Management.*—The Association was represented on the Council of Management of the Tea Research Association by Mr. P. J. Parr, Senior Adviser.

Mr. A. F. Macdonald of Duncan Brothers & Co. Ltd. and Mr. P. K. Kanoria of Ananda (Assam) Tea Co. Ltd. continued as Chairman and Vice-Chairman respectively of the Tea Research Association during 1968.

(2) *Staff at Tocklai Experimental Station.*—The following staff of the Association continued on deputation with Tocklai Experimental Station during the year:—

Dr. D. N. Barua	Botanist
Mr. S. Basu	Advisory Officer
Mr. D. N. Barbora	Research Engineer
Mr. R. Choudhury	Manufacturing Adviser Tea Taster
Mr. M. K. Choudhuri	Administrative & Finance Controller
Mr. S. K. Dutta	Chief Advisory Officer
Mr. W. J. Grice	Chief Advisory Officer, West Bengal

Mr. W. Hadfield	Plant Physiologist
Mr. H. Mitra	Advisory Officer
Mr. T. D. Mukerjea	Pesticide Testing Officer
Mr. K. N. Sharma	Agriculturist
Mr. P. C. Sharma	Advisory Officer

(3) *Lecture Courses.*—The following Lecture Courses were held at Tocklai Experimental Station during the year :—

- (a) Three five-day Field Management Courses were held from the 13th May to the 31st May 1968. The first two courses were for planters who had served in tea for 3 to 10 years and the third course was for senior planters.
- (b) Two five-day Factory Management Courses were held from the 28th October to the 8th November 1968.
- (c) Two three-day lecture courses on the use of Agricultural Chemicals were held from 22nd July to 24th July 1968 and from 29th July to 31st July 1968.
- (d) One five-day lecture course on Vegetative Propagation including miniature manufacture was held from 17th to the 21st June 1968.
- (e) Two four-day lecture courses on Surveying and Drainage were held from the 7th October to 10th October 1968 and from 14th October to 17th October 1968.

TEA CONTROL, CALCUTTA & LONDON MARKETS

•**The International Tea Situation**.— There were further international exchanges during the year under review, reflecting the continuing concern of the major producing countries at the declining trend of tea prices and a willingness to consider the possibility of joint action for the producers' common good.

The dialogue between India and Ceylon referred to in last year's report was maintained during 1968 and resulted in broad agreement on certain joint initiatives which are mentioned in more detail below.

Studies and statistical projections of the world tea supply and demand situation were also completed by various agencies, leading up to the Third Ad Hoc Consultation on Tea which was held under the auspices of the F.A.O. from the 6th to the 14th January, 1969, at Kampala, Uganda. The two previous Ad Hoc Consultations were held in Colombo and London in May 1965 and February 1967 respectively.

Reference was made in last year's report to the outcome of the visit of an official delegation from India to Colombo in January 1968 to follow up the discussions that had taken place in September 1967, and since when both the pound sterling and the Ceylon rupee had been devalued. The agreement reached at the Colombo talks in regard to a common approach to the marketing of tea abroad was finally ratified in May 1968. The official text of the agreement covered the following ground :

- (i) joint action to stimulate demand for tea;
- (ii) joint action for the review of the existing auction machinery ;
- (iii) action to blend and packet tea and to promote sales in such form ;

- (iv) joint action to promote economic efficiency through research in the fields of agronomy, manufacture and marketing of tea ; and
- (v) the feasibility of an international commodity agreement for tea.

Further talks on trade and economic cooperation between the two countries were held from the 31st May to the 6th June, 1968, in New Delhi. Simultaneously, talks were held on matters relating to tea, in which officials of the two Governments, representatives of tea producers and of the tea trade of the two countries and officials of the Ceylon Tea Propaganda Board as well as the Indian Tea Board participated. Agreement was reached on the following matters :

- (a) In connection with the joint activities of the two countries for promotion of tea, it was necessary for comprehensive market surveys to be undertaken on behalf of the two Governments in cooperation with the local tea trade and the Tea Councils.
- (b) With regard to the proposal for the establishment of a joint consortium for the marketing of blended and packaged tea in selected markets, a working group would be set up to draft the constitution and define precisely the objectives, functions, financial and administrative structure and scope of operations of the consortium.
- (c) It was agreed to coordinate research concerning tea between the two countries. A Standing Committee was set up to recommend specific schedules.

The two delegations also welcomed the decisions taken at the UNCTAD II Conference in New Delhi in February/March 1968 recognising tea as one of the commodities requiring "prompt consideration for appropriate international action"

and expressed the hope that such action would result from the efforts of the international organisation at the Third F.A.O. Ad Hoc Consultation (at that time scheduled to take place about October 1968 but subsequently postponed).

In December, in the course of another round of talks in New Delhi between a Ceylonese delegation headed by the Minister for Commerce and Trade and an Indian team led by the Minister of Commerce, it was decided to set up an Indo-Ceylon Standing Committee on Tea to facilitate implementation of the agreement between the two countries in respect of joint and coordinated action on promotion, research and other matters. The general approach of the two countries to the issues that would come up for consideration at the forthcoming F.A.O. Ad Hoc Consultation on Tea at Kampala was also discussed.

Before the Kampala meeting took place, statistical appraisals of the world tea supply/demand outlook both by the F.A.O. itself and by the UNCTAD Secretariat were available for study, and these documents were supplemented by a similar report commissioned by the Standing Joint Committee of Tea Producers in London from a professional consultancy firm, Colin McIver Associates Ltd. The remarkable feature of these independent studies was the broad unanimity of their findings which, despite variations in the individual estimates, confirmed an existing surplus of supply over demand and projected a steady worsening of this imbalance.

Both the Chairman of the Association and the Chairman of the Indian Tea Association (London) were present at the Kampala meeting, which was attended by delegates and observers representing a very large percentage of world tea production and offtake, as well as by representatives of six international organisations.

The official report on the meeting is not yet available. It must suffice for present purposes to record that the world tea

situation was thoroughly reviewed and that, in the result, international negotiations are expected to gain momentum in the coming year.

Tea Control in India.—(1) *The Tea Act*: Control over the planting of tea in India and over its export from the country is exercised by the Government of India through the medium of the Tea Act, 1953.

(2) *The Rules under the Act*.—No amendments were made to the Rules during the year.

(3) *Tea Cess*.—In last year's report it was recorded that with effect from the 10th June, 1967, tea cess was levied as an additional duty of excise at the estate. Early in the year it came to the Association's attention that the Central Board of Excise and Customs had decided that tea cess was not payable on tea manufactured before the 9th/10th June, 1967, and cleared from the estate after that date. As most estates had paid tea cess on such teas, the Association took the matter up with the Collectors of Central Excise, West Bengal and Shillong, asking them to confirm the Board's ruling and to arrange for refunds to be made. The Collectors confirmed that refunds were due but indicated that claims would only be admissible under the provisions of Rule 11 of the Central Excise Rules, 1944.

As Rule 11 of the Central Excise Rules stipulates that claims for refunds of duties or charges erroneously paid will only be admitted if made within three months of the payment, the Association referred the matter to the Board of Central Excise and Customs pointing out that tea estates would not be able to comply with the rule in view of the fact that they had only just become aware of the fact that they had made erroneous payments. It was not until about the middle of August, 1968 that the Board advised the Collectors that the time-bar in Rule 11 of the Central Excise Rules, 1944 would not apply

to claims for refund of tea cess inadvertently paid on teas manufactured before the 10th June, 1967, and that such claims could be admitted after verification.

Marketing of the 1968 Crop.—(1) *Crop* : On the basis of the monthly returns submitted by Agency Houses, the 1968 tea crop in North-east India has been estimated by the Association's Statistical Department at 299,433.064 kilograms as compared with the revised estimate of 287,813,997 kilograms for 1967, which indicates an increase of 4.04 per cent.

(2) *Export Quota Allotment*.—The suspension of the export quota system continued during the year under review.

(3) *Calcutta Auctions*.—The leaf sales of the 1967 crop were completed in April, 1968, and the dust sales at the end of May, 1968.

The first leaf sale of season 1968/69 was held on 15th April, 1968, and thereafter weekly auctions were held. The first dust sale was held on 5th June, 1968. By the end of the year 35 sales had been held.

(a) *Leaf Sales*.—The bulk of offerings in the early sales was as usual from the Darjeeling district. In April, quality was quite good which led to prices being higher than those seen in the previous year. In May the market was selective and prices declined with quality, although by the end of June some early second-flush teas were offered and prices began to advance. During this period orthodox teas from the Dooars and Assam met only limited enquiry. CTC offerings sold well, particularly the broken grades.

The quantity of tea from Darjeeling available during the season was considerably higher than that in the previous year but in the months of July, August and September prices continued to decline. In October, teas from all districts followed

a lower trend with orthodox teas, particularly medium sorts, often proving difficult to sell.

In November and December, CTC offerings met good support from buyers for internal consumption although prices were generally lower for most types.

The average prices for all teas (exclusive of excise duty) up to Sale 35 was Rs. 5.91 per kg. as compared with Rs. 6.66 per kg. up to the same date in the previous year. Darjeeling recorded a fall of 93 paise, and Assam a fall of 82 paise, Dooars recorded a fall of 55 paise, Terai a fall of 69 paise and Cachar a fall of 54 paise.

The number of chests sold amounted to 1,602,999 as compared to 1,358,805 on the same date in the previous year.

(b) *Dust Sales*.—During the season higher prices were enjoyed by good liquoring tea and almost all categories of CTC teas.

Although the market opened somewhat hesitantly with the plainer CTC kinds selling a little below brokers' valuations, prices were above those of the previous year. There was the expected seasonal decline following quality, but the overall price averages continued to be above those of the previous season.

Legg cuts and plain orthodox dust sold consistently below last year although bright Assam orthodox teas sold well.

At the end of the year 691,896 chests had been sold at an average price of Rs. 5.21 per kg. as against 683,190 chests at an average price of Rs. 5.18 per kg. to the same date in the previous year.

(c) *Quality*.—Teas from the Darjeeling District were initially of fair quality, but the bulk of the first-flush teas from this District was a little below average due mainly to variable cli-

matic conditions. The second flush was definitely disappointing and rains teas showed the expected seasonal decline. The floods and landslides in early October caused considerable damage to the whole District and this had its effect on autumnal quality.

A considerable quantity of perennial tea from Assam was sold in 1968. This led to first-flush quality being generally termed as a little below that of normal years. The second flush was of short duration and owing to climatic conditions somewhat inferior in quality to that of the previous year. Tip content, however, was satisfactory and there was a considerable increase in the amount of useful orthodox tea made during the quality period. Rains teas have been fully average, and, overall, manufacturing standards appeared to be showing a steady improvement.

In the Dooars and Terai, climatic conditions during the year were not unsatisfactory and the standard was quite useful. The second flush was of only short duration, but one or two lines of quite attractive quality for the District were produced at this time.

Heavy rain and some flooding followed an initial drought in Cachar and Tripura in the early part of the year. Leaf appearance was satisfactory, whilst liquors in a number of cases showed some improvement. It was again felt that overall more attention to quality had been paid in manufacturing processes.

Terms and Conditions of the Calcutta Auctions.— In February 1968, the Association addressed a letter to the Calcutta Tea Traders Association putting forward certain proposals for improvement of the existing terms and conditions of the Calcutta Auctions. The most important proposal concerned the issue of free samples to buyers. It was pointed out that the producers had no objection to making samples available to genuine buyers, but the quantities drawn were now so large and the cost so heavy that it was felt that steps should be taken

to reduce the loss on this account. To achieve this, the Association suggested that a charge should be levied on all samples issued to buyers and only one set of samples should be issued to each buyer. It was further suggested that brokers should take precautions not to draw more tea than was permitted under the rules of the Calcutta Tea Traders Association. The C.T.T.A. in reply stated that with a view to reducing the expense to the producers involved in the issue of free samples, the General Committee of the Association had recommended a reduction in the maximum limit of samples as laid down in Rule 19 of Part IV of the Calcutta Tea Traders Association's rules from 11kg. per lot to 9 kg. per lot in the case of leaf teas, and from 6 kg. per lot to 5 kg. per lot in the case of dust teas. The C.T.T.A. stated that steps were being taken to suitably alter the rules of the Association in accordance with this decision.

Some of the other proposals put forward by the Association and the views expressed by the C.T.T.A. were as follows :

(a) *Bidding at the Auctions.*—The Association suggested that as in the past, buyers' bids at the auctions should be exclusive of excise duty. The C.T.T.A. expressed the view that it was impracticable to reintroduce bidding exclusive of excise duty under present excise arrangements.

(b) *Brokers' Market Report.*—It was suggested by the Association that the brokers should be asked to include quotations for orthodox Dooars and Assam tea in their market report in addition to the quotations already given. This proposal was accepted by the C.T.T.A.

(c) *Warehouse Charges.*—The Association suggested that private warehouses operated by Agency Houses should be given authority to transfer teas remaining in the warehouses after prompt date to the public warehouses at the buyers' expense. The C.T.T.A. in reply stated that it was at present

drawing up rules and specifications for private warehouses, and it was considered that eventually when warehouses became "free" it would not be necessary any longer to maintain a "public warehouse."

(d) "*Ex-estate*" Sales.—The Association forwarded a note to the C.T.T.A. for its views on a proposed system for conducting "ex-estate" auctions. The C.T.T.A. stated that it did not consider the scheme feasible in view of the time and distances involved, and it was also felt that it would not benefit the producers in any way.

(e) *Brokers' Catalogues*.—The Association suggested that as a measure of speeding up the auction sales, Darjeeling teas should be sold at a separate sale, and separate catalogues should also be printed for orthodox teas and CTC teas which should be sold separately. The C.T.T.A. stated that it did not consider it practicable to have separate catalogues for orthodox and CTC teas. As a trial measure for a period of two months, however, it was proposed to introduce a separate catalogue for Darjeeling teas and to sell such teas between the large and "other" small breaks.

FINANCE AND TAXATION

Central Budget—1968.— The Government of India's 1968 Budget was a considerable disappointment because no change was made in the export duty on tea in spite of the industry's pressing representations for a substantial reduction in the levy. There was in fact very little in the Budget that affected the industry apart from (i) the reduction in the rate of surtax, which provided a marginal concession to tea companies, particularly those with a large capital base and (ii) the deduction of the dividend tax payable by Indian Companies. The tax concessions designed to promote higher agricultural productivity were not extended to tea companies.

The Consultative Committee of Plantation Associations addressed a letter to the Ministry of Commerce expressing the Industry's disappointment that no consideration had been given in the Finance Bill 1968 to its many representations for a substantial reduction in export duty and pointing out that urgent action was necessary to restore India's competitive position vis-a-vis Ceylon.

Relief for the Tea Industry.— Ever since the devaluation of the £ Sterling in November 1967, the Association and the Consultative Committee of Plantation Associations have continued to draw the Government of India's attention to the Industry's need for relief to restore the economy of the tea estates and the producers' profitability so as to enable them to compete effectively in overseas markets and thereby maintain India's foreign exchange earnings. Several representations were submitted to the Tea Board and to the Ministry of Commerce, which dealt with the various economic factors affecting the tea industry, including the producers' cost structure, the duty structure, trends in various markets, consumption trends and the pattern of supply and demand, and a plea was entered by

the Industry and the grant of for the abolition of export duty a refund of excise duty on exported tea.

The Government of India's representatives, while accepting the Industry's claim for relief, made it clear that the export duty could not be abolished and that if relief was desired the Industry should put forward a scheme which was related to the volume of exports and which provided for the relief granted being utilised for estate development.

Various schemes were considered and finally it was agreed that the relief required by the Industry would have to take the form of excise duty relief either at the estate or as a rebate on exports, coupled with tax credits related to export sales. In due course a formal scheme was prepared which envisaged a rebate of 80% of the excise duty payable, the amounts thus rebated to be allowed as a deduction for income tax purposes and to be utilised within a given period on specified development projects.

In the 1st October, 1968, the Government of India announced the following measures of relief for the Industry :

- (a) *Export Duty*.—The rebate of 24 paise per kg. was increased to 35 paise per kg.
- (b) *Excise Duty*.—The 20% special duty of excise was abolished. The funds accruing to the estates from this relief would have to be utilised for the purposes of development.
- (c) *Replanting Subsidy*.—Subsidies on replanting would be granted at the following rates :

Rs. 3500/- per hectare for estates in the plants.
Rs. 4500/- per hectare for estates in the hills.

The subsidies would be free of income tax and would therefore also qualify for exemption from State Agricultural income tax.

Details of the manner in which the Excise Duty relief would have to be spent and accounted for were given in a circular dated the 18th October, 1968, issued by the Tea Board, a copy of which is reproduced in the appendices to this report. The Replantation Subsidy Scheme was also circulated by the Tea Board and this scheme is also reproduced for record in the appendices to this report.

While the relief granted was naturally welcomed by the producers it was totally inadequate to the Industry's needs and the Consultative Committee therefore submitted a detailed memorandum urging the grant of additional relief by way of abolition of the export duty and a drawback of excise duty on exports. A copy of the memorandum is reproduced in the appendices to this report.

Replantation Subsidy Scheme.—On the 1st October, 1968, the Government of India announced the introduction of a Replantation Subsidy Scheme to assist the Industry to increase the rate of replantation of old tea areas to the level of 2% of the area under tea as it was considered that such a rate was essential for maintaining the competitive ability of the Industry and a healthy rate of growth.

The Scheme envisaged the grant of subsidies at the rate of Rs. 3,500 per hectare replanted in the plains and Rs. 4,500 per hectare replanted in the hills. The subsidy would be available to estates throughout India and would be exempted from income tax. To qualify for the subsidy the tea estates would have to be registered with the Tea Board; they would have to apply to the Board in the prescribed form stating their replanting programme; and they would have to use only approved planting material and follow recommended planting techniques.

Details of the scheme were circulated by the Tea Board towards the end of November, 1968 and were issued to mem-

bers under Circular No. 177 dated the 28th November, 1968, a copy of which is reproduced in the appendices to this report.

It was observed that the subsidy would only be available in respect of the replanting of areas covered by bushes of over 50 years of age. This was considered an unnecessary limitation, as tea companies might wish to replant areas which had been planted out less than 50 years ago because the planting had been done with poorer materials or methods than are now available with the result that yields were below average and therefore uneconomic.

This matter was taken up by the Chairman on behalf of the Consultative Committee with the Chairman of the Tea Board, to whom it was also suggested that the scheme should be extended to cover replacements, with suitable safeguards to prevent an extension of area, because a tea estate might find that the land it intended to replant was so debilitated or otherwise affected by climatic factors, alterations in the drainage regime, etc., that it was no longer suitable for tea.

Early in January 1969 the Tea Board advised the Association that the Government of India had agreed to extend the scheme to "replacements" in the case of estates in the Darjeeling district affected by the landslides and to waive the condition that the subsidy could only be granted in respect of an area not exceeding 2% of the estate's area under tea.

Simplification and Rationalisation of the Tax Structure:
Bhoothalingam Committee.— Last year's report referred to the appointment by the Government of India of Mr. S. Bhoothalingam to review the tax structure and to recommend measures for its rationalisation and simplification, and mentioned the memorandum submitted by the Association to this One-man Committee. In May, 1968, the Association received a copy of Mr. Bhoothalingam's final report. The Association

was requested to submit its comments on the recommendations in the final report relating to direct taxes as well as indirect taxes.

In the field of indirect taxes, the Association welcomed Mr. Bhoothalingam's general approach towards rationalising the current system of levying excise duties on commodities. It was most desirable that a system of excise duties should be devised which would reflect the growth of production more or less automatically and obviate the need for frequent changes in rates. The Association expressed the opinion that if a new system was to be introduced for levying excise duty, it should be made applicable to all commodities. The Association suggested that as tea was a comparatively minor revenue earner, it should be subject to the general excise duty as proposed by Mr. Bhoothalingam at the rate of 4%. With regard to customs duties, the Association generally agreed with the comments made by Mr. Bhoothalingam on drawback of duties, but considered in this context that drawback of excise duty on exports, which is allowed for other industries, should be made applicable to tea. Copies of the memoranda submitted by the Association to Mr. Bhoothalingam are reproduced in the appendices to this report.

Development Allowance.— In last year's report it was recorded that the Government of India had added a new rule 8A in the Income Tax Rules which prescribed the conditions for the grant of development allowance under Section 33A(3) (iii) of the Income Tax Act 1961, and which provided for notice to be given to the Tea Board of the commencement of planting or replanting operations.

In February 1968 the Tea Board circulated a note outlining the procedure which would be followed by the Board in carrying out inspections for the verification of planting/replanting operations in connection with the issue of certificates in support of claims for development allowance. The procedure provided for the submission of survey maps/sketch maps and for inspections

to be carried out by officials of the Tea Board posted at the various regional offices of the Board in the tea districts.

As it was reported to the Association that it was very difficult to obtain the services of qualified surveyors for the preparation of maps, the Consultative Committee of Plantation Associations suggested to the Tea Board that the procedure should be amended to allow for the acceptance of

- (i) maps prepared by Government approved mondots, or alternatively
- (ii) an affidavit sworn by a competent officer of the tea estate as to the area of the new planting/replanting undertaken.

It was also suggested to the Board that inspections in connection with the issue of certificates should be undertaken by independent planters, as was the practice in the case of hail damage insurance claims etc., instead of by the Board's staff.

The Tea Board accepted the suggestion that inspections should be carried out by planters and asked the Consultative Committee for its specific proposals. After an exchange of correspondence with the Board it was finally agreed that the tea districts should be divided into Zones each with a Zonal Office and that a panel of inspectors should be constituted for each Zone. The Zones and Zonal Offices in North East India were selected as follows :—

Assam:

- (i) Zonal office for Circles in Zone 1 at the Bharatiya Cha Parishad office in Dibrugarh.
- (ii) Zonal office for Circles in Zone 2 at the Assam Tea Planters' Association office at Jorhat.

- (iii) Zonal office for Circles in Zone 3 (excluding Goalpara District) at Assam Branch ITA Zone 3 office in Tezpur.
- (iv) Zonal office for Goalpara District at the headquarters of the Tea Garden Owners Association of Goalpara District.
- (v) Zonal office for Cachar at the Tea Association of India office at Silchar.

West Bengal:

- (vi) Zonal office for the Dooars/Terai at the Indian Tea Planters' Association office at Jalpaiguri.
- (vii) Zonal office for Darjeeling at the Darjeeling Branch ITA office at Darjeeling.

The United Planters Association of Southern India was asked to suggest a zonal arrangement for South India.

The Consultative Committee have been asked to submit the names of the persons who will constitute the panels of inspectors.

Each panel of inspectors will comprise about 8 senior planters, but the Consultative Committee will be at liberty to make changes in the actual personnel of the panels from time to time, at the instance of the Zonal offices, such as may be necessary for example due to retirement, absence on leave, transfers, etc.

The panels of inspectors will be responsible for inspection work in connection with claims for the grant of Development Allowance and also claims for replanting subsidies under the recently introduced Replanting Subsidy Scheme.

The precise duties of the inspectors, as well as their fees, will be notified later.

At the time of writing the constitution of the panels had not been completed because the Constituent Associations had not all submitted their nominations to the Consultative Committee.

In regard to survey maps/affidavits, the Tea Board indicated that maps were essential and that affidavits could not be accepted in lieu of maps. The Board, however, agreed to accept survey/sketch maps prepared either by official surveyors or Government approved mondols.

Income Tax (Seventh Amendment) Rules, 1968.—Section 7 of the Finance Act 1968 introduced a new Section 40A(3) in the Income Tax Act to provide that from a date to be specified, if payments exceeding Rs. 2500/- were not made by crossed cheque drawn on a bank or by crossed bank drafts, such expenditure would not be allowed as a deduction for income tax purposes.

The Consultative Committee of Plantation Associations made a representation to Government in May suggesting that tea estates should be exempted from the scope of Section 40(3) of the Income Tax Act because owing to totally inadequate or, in some cases, complete lack of banking facilities in the tea districts of Assam, particularly on the North Bank, it had been the practice for tea estates to make payments in cash or to issue either garden hundies, which were presented at the Calcutta office of the payee for realisation, or companies' cheques on the indigenous local bankers with whom the tea companies maintained accounts for this purpose for all payments made from the estates.

By a notification which was published in the Gazette of India Extraordinary dated the 27th September 1968 the Government of India invited comments and suggestions on the Income Tax (Seventh Amendment) Rules 1968, which set forth the exemptions which Government proposed to allow under Section 40(3) of the Income Tax Act. It was noted that the proposed exemptions included payments made in villages and towns having no

banking facilities to any person who ordinarily resides or carries on any business, profession or vocation in such a place.

As it was not clear whether this exemption would apply to tea estates in remote areas and without ready access to banking facilities—and on the face of it it appeared that it would not—the Association asked the Central Board of Direct Taxes to clarify the matter and to include in the draft rules a suitable provision specifically exempting tea estates from the scope of Section 40A(3) of the Income Tax Act 1961. The matter is still under consideration.

Income Tax : Value of rent-free quarters.—In the Association's report for 1966 it was recorded that the Commissioner of Income Tax, West Bengal, had in an order issued under Section 264 of the Income Tax Act 1961 ruled that the fair rental of a manager's bungalow could be taken at Rs. 300/- per month.

In September 1968 it was reported by an Agency House that the Commissioner of Income Tax, Assam, Nagaland, Manipur and Tripura had issued an order fixing fair rental valuations for reasonably well furnished accommodation inclusive of items like refrigerators, airconditioners, etc. as follows :—

Junior Assistant	Rs. 75 p.m.
Senior Assistant	Rs. 100 p.m.
Junior Manager	Rs. 200 p.m.
Senior Manager	Rs. 250 p.m.
Superintendent	Rs. 400 p.m.

It had been indicated in the order, however, that it was still open to the ITO to examine the individual merits of a case justifying different treatment either owing to better location of a bungalow or because of the fact that the employee was occupying a bungalow different from his usual entitlement.

Assam Agricultural Income Tax.—The rates of Agricultural Income Tax for the year commencing 1st April, 1968 were fixed

under the Assam Finance Act, 1968, at the same level as in the previous year namely:—

- (a) where the total income of the company does not exceed Rs. 1 lakh on the whole of the total income—45 paise in the rupee.
- (b) Where the total income of the company exceeds Rs. 1 lakh but does not exceed Rs. 2 lakhs, on the whole of the total income—57 paise in the rupee.
- (c) Where the total income of the company exceeds Rs. 2 lakhs, on the whole of the total income—60 paise in the rupee.

In 1967 the Assam Government Finance Minister had indicated that tea estates would be exempted from the payment of agricultural income tax on food crops grown by them on tea estate land and that the exemption would be granted under Section 9(2) of the Assam Agricultural Income Tax Act 1959 for a period of five years from the 1st April 1967.

As tea estates were anxious to claim this exemption, they wished to know what procedure should be followed. The Chairman of the Consultative Committee of Plantation Associations accordingly took the matter up with the Finance Minister at the end of April 1968. A reply was received in due course from the Finance Department of the Government of Assam that certain legal difficulties had arisen in regard to the grant of the exemption and that the matter had not yet been finalised.

The position has remained unchanged up to the time of writing.

The Bengal Agricultural Income Tax Act, 1944.— In last year's report it was recorded that the introduction of the proposed increase in the rate of agricultural income tax provided for under the West Bengal Taxation Laws (Amendment) Ordinance, 1967 had been postponed. By a notification dated the 30th March

1968 the Government of West Bengal introduced the revised rate of 50 paise in the rupee with effect from the 1st April 1968.

In July 1968, the Consultative Committee of Plantation Associations addressed a representation to the Government of West Bengal suggesting that tea companies should be exempted from the payment of agricultural income-tax in respect of paddy and other cereals grown by them for issue to their workers. It was pointed out that the Assam Government had agreed to grant such an exemption, which would act as an encouragement to tea companies to expand their food cultivation programmes, thereby relieving the food shortage in the State.

In August, Government advised the Consultative Committee that they were unable to accede to the Industry's request, which had received careful consideration.

Assam Taxation (on Goods carried by Road or Inland Waterways) Act, 1961.—In the Association's report for 1965 it was recorded that as the Supreme Court had declared the Assam Taxation (on goods carried by road or inland waterways) Act, 1961 to be a valid piece of legislation, it had been decided not to oppose the Assam Government's appeal before the Supreme Court for a stay of the operation of the judgement and orders issued by the Assam High Court in Civil Rule No. 93 of 1961 and other pending cases declaring the Act ultra vires. The Supreme Court granted a limited stay order permitting the Assam Government to proceed in the assessment without any levy.

The Assam Government's appeal was finally heard on the 1st April 1968, when the Supreme Court set aside the Assam High Court's judgement and confirmed its previous judgement declaring the Act intra vires.

Following the issue of this judgement tea estates in Assam received demands from the Superintendents of Taxes for payment of the arrears of tax due from them.

The Consultative Committee of Plantation Associations addressed a representation to the Government of Assam in May 1968 reminding Government of an assurance given in 1961 by the then Finance Minister that the suspension of tax in Cachar which had been granted under the previous Act would be continued; that the suspension would be made permanent and Government would not attempt to realise the tax at a later date; and that the matter would be regularised in due course. It was also pointed out that the total tax due from estates in Cachar amounted to Rs. 78 lakhs and that it would be impossible for tea estates in that district to raise the funds needed.

In September, 1968 the Consultative Committee addressed a further representation to the Assam Government, drawing attention to the difficulties which tea estates in the Assam Valley were experiencing in meeting the demands for tax received by them, and suggesting that these tea estates should be allowed to pay against the demands received by them in instalments over a period of two years, the first instalment being payable in 1968. Government was asked to allow estates to pay over a longer period in cases where the companies individually could demonstrate the need for such an extension. In due course the Assam Government issued instructions to Superintendents of Taxes authorising them to allow tea estates to pay their dues in instalments by the 31st March, 1970 and in exceptional cases by the 31st March, 1971.

Towards the end of the year it was suggested to the Association that the Assam Government's demands for arrears of tax might be time-barred. This suggestion is being examined in consultation with the Association's solicitors.

Assam Sales Tax and the Assam Finance (Sales Tax) Acts.—
To expedite the collection of revenue under the Assam Sales Tax Act and the Assam Finance (Sales Tax) Act provision has been made through amendments to these Acts, which were brought into force with retrospective effect from October 1967.

for assesseees who submit monthly returns accompanied by monthly deposits of taxes to receive a rebate of 1% on the tax payable by them. No rebate is allowed on the quarterly returns and payments of tax; whereas dealers failing to submit the quarterly returns (accompanied by the payment of the tax due) within the grace period of 30 days are liable to pay interest at 6% per annum for the second month, 12% per annum for the third month and 24% per annum for every month thereafter.

West Bengal Sales Tax.— During the year under review, certain changes took place in the Sales Tax law of West Bengal insofar as tea was concerned, as a result of the amendments made to the Bengal Finance (Sales Tax) Act, 1941, and the Bengal Sales Tax Rules, 1941. The changes in the law, however, did not have any effect on sales of tea at the Calcutta auctions, which continued to be exempted from Sales Tax.

One of the main amendments made to the Bengal Finance (Sales Tax) Act, 1941, related to the levy of 2% Sales Tax on goods purchased for use in the manufacture of other goods. This meant that teas purchased for blending outside the auctions became subject to this tax, as blending of tea had been treated as a form of manufacture for a number of years for the purposes of West Bengal Sales Tax. It also meant that tea estates in West Bengal would have to pay 2% Sales Tax on all plant, machinery, stores, etc., which were formerly exempted from Sales Tax. The Consultative Committee of Plantation Associations made a representation to the Secretary, Finance Department, Government of West Bengal, pointing out that these additional tax liabilities would further inflate the production cost of tea estates in West Bengal at a time when they were anxiously searching for ways and means of arresting the steady rise in costs. The Consultative Committee also explained that the levy of 2% Sales Tax on teas purchased outside the auctions for blending which were exported, would make blends of Indian tea less competitive in overseas markets and would, therefore,

adversely affect tea exports. Up to the time of writing, no reply has been received from the Government of West Bengal.

Assam Panchayat Act.— In last year's report it was recorded that Anchalik Panchayats were endeavouring to impose taxes on labour houses on tea estates and that the Consultative Committee of Plantation Associations had made a representation to the Government of Assam suggesting that labour houses should be excluded from the purview of the Assam Panchayat Act or be exempted from the levy of tax.

A further representation was made to Government in March 1968 in which it was pointed out that the labour lines, which had to be provided with all the services such as conservancy, water supply, roads, drainage etc. by the estates under the Plantations Labour Act, constituted compact villages, in respect of which local panchayats had no responsibility for any of the services mentioned. Furthermore tea companies already paid large sums of money to Government by way of Agricultural Income Tax, Sales Tax, etc. and the local panchayats could in no way improve or take over the amenities provided by tea estates in their labour lines. These representations remained under consideration by the Assam Government up to the end of the year.

In June 1968 it was reported that certain Anchalik Panchayats had called upon tea estates to obtain licences under the Assam Prevention of Food Adulteration Rules, 1960 and to pay Rs. 200/- as a licence fee for the manufacture and sale of tea.

The Consultative Committee of Plantation Associations took this matter up with the Government of Assam. It was pointed that the Assam Prevention of Food Adulteration Rules, 1960 and Schedule I provided for the levy of licence fees on the manufacture and sale of tea. Tea estates manufactured tea within the Panchayat area but did not sell the tea within the

Panchayat's jurisdiction. As both operations were not carried out in the Panchayat area, it was claimed that tea estates were not liable to obtain licences under the Prevention of Food Adulteration Rules. Furthermore as tea estates already held licences from the Inspector of Factories as well as from the Central Excise Department for the manufacture of tea, it was inequitable that they should also be required to pay a licence fee to the local Anchalik Panchayat, thereby being taxed for the third time for the right to conduct their operations. The matter is still under consideration by Government.

West Bengal Entry Tax.—The report for 1967 referred to the representation made by the Association to the Commissioner of Commercial Taxes, West Bengal, in connection with the question of filing the documents relating to the assessment of West Bengal Entry Tax within a period of seven days of the arrival of the tea consignments in the "local area." During the year a reply was received from the Commissioner of Commercial Taxes which stated that it had since been decided that in the case of exports, dealers would be allowed a period of eight weeks from the date of entry of a consignment of tea in the local areas for the submission of the relevant Bill of Entry for necessary assessment and adjustment. In other cases, however, the existing practice of allowing a period of one week from the date of entry of such consignments in such areas would continue. Representatives of the Association called on the Assistant Commissioner, Commercial Taxes, and the Association also made a representation to him explaining that for a number of valid reasons, it was not possible for the assesseees to comply with the above-mentioned directive. Among the reasons, the Association mentioned the tremendous amount of documentation involved because Agency Houses were each associated with a large number of tea estates, and the great deal of coordination and time that was required to obtain the details of the arrival of teas as there were 25 or more entry points all over Calcutta. These factors applied to Calcutta auction teas as well as ship-

ment teas. The Association, therefore, requested that favourable consideration be given to extending the time-limit for the filing of assessment papers to—

- (a) in the case of Calcutta Auction teas, six weeks from the date of arrival of the teas in the local areas, and
- (b) in the case of shipment teas, 12 weeks from the date of arrival of the teas in the local areas.

It was suggested that these arrangements could be limited to assessee's maintaining Deposit Accounts. The Association also confirmed in this letter that the Assistant Commissioner had been good enough to say that pending the disposal of the above petition, he would be prepared to relax the directive in individual cases on the production of satisfactory evidence of genuine difficulty in complying with it. The Association stated that members were being advised accordingly, and were being requested to file their assessment papers as expeditiously as possible.

In January, 1968, the Association received a letter from the Assistant Commissioner, Commercial Taxes, stating that it had come to his notice that at some of the check posts, deposit holders were being allowed to remove taxable goods without ascertaining whether the utilised balance was adequate to cover the tax payable on the consignments. It had been further noticed that taxable goods were being removed from a warehouse leased out to Balmer Lawrie & Co., Ltd. at Hide Road without any Transport Pass whatsoever, although the said place had been duly notified under the Act. The Assistant Commissioner requested the Association's comments within a certain time and stated that if no comments were received within that time, he would be compelled to decide his own line of action to stop the contraventions mentioned above. This matter was jointly considered by the Association and the Calcutta Tea Traders Association and a detailed reply was sent to the Assistant Commissioner. It was submitted that the West Bengal

Entry Tax had been in operation since 1956 and no difficulties had been experienced either by the Tax Authorities or by the Trade. The present procedure with certain relaxations had been evolved over years of experience and any change in the system would bring complete dislocation in the movement of teas through Calcutta. To identify the difficulties which the Trade would face if it was decided to withdraw the existing relaxations, the Association explained that it was virtually impossible for producers to complete assessment of all the teas within the time-limit prescribed in the Act, in view of the time necessary for the producers' representatives to visit all the different places of arrival and to obtain the list of arrivals regularly. It was further pointed out that teas shipped for sale at the London auctions or sold directly to an overseas buyer were exempt from the payment of West Bengal Entry Tax. Accordingly, if the deposit made by the deposit holders was to match all arrivals, there would be a huge surplus of unutilised money in the deposit account incurring interest at rates of over 9½% per annum, which would put a heavy financial strain on the Tea Companies. Reference was also made to the time necessary for the submission of papers for assessment in respect of shipment teas, and to the delay in dealing with applications for refund. It was again requested that drastic changes should not be effected in the present system, as this would cause complete dislocation in the movement of teas from Calcutta.

Tea Plantation Finance Scheme.— Under the Tea Board Plantation Finance Scheme, the planting carried out against a loan has to be inspected and certified by a planter who is not employed by the Company or its Agent, etc. It was felt that any planter who carried out this work should be remunerated but the Tea Board was not prepared to meet this expense, which would therefore have to be met by the Company concerned. The Association recommended that such payments should be made at the uniform rate of Rs. 1/50 per acre subject to a minimum fee of Rs. 100/-.

LABOUR

National Commission on Labour.— In last year's report it was recorded that the Government of India had appointed a National Commission on Labour to survey the entire field of labour relations and that the Commission had issued a questionnaire.

The Association's reply to the questionnaire was finally submitted to the Commission at the beginning of March, 1968. The Commission visited Calcutta between the 27th and 30th May, 1968, and held discussions with Employers and Workers Organisations. The Association's representatives, Mr. C. J. N. Will, Mr. E. H. Hannay, O.B.E. and Mr. P. J. Parr, appeared before the Commission on the 28th May, 1968. The Commission sought the Association's views on the method of ascertaining union membership for purposes of recognition on the implementation of Wage Board recommendations where a unanimous decision had not been reached; on the progress of the housing programme; on violence on tea estates; and on disciplinary action with particular reference to the proposal to amend the Industrial Disputes Act to empower Tribunals to call for fresh evidence and to alter the punishment awarded by an employer.

The report of the Study Group for Plantations (Tea) was finalised and submitted to the Commission on the 1st October, 1968.

Committee on Labour Welfare.— By a resolution dated the 5th August, 1966, the Government of India set up a Committee under the Chairmanship of Mr. R. K. Malviya to review the whole range of welfare schemes for industrial workers in the country including plantations workers, and to suggest new welfare measures.

This Committee issued a questionnaire in May 1967 asking for information on welfare amenities provided inside and out-

side establishments and calling for views on the scope of welfare measures and the extent to which the amenities provided were appreciated by the workers and helped to improve industrial relations.

The Association prepared a detailed reply to the questionnaire in which it was emphasised that the Plantations Labour Act and Rules adequately covered all aspects of welfare amenities for all categories of workers in the industry. In fact the plantations industry provided welfare amenities in range and content far superior to anything imposed on other industries and particularly in the agricultural sector. It was recommended that Government should direct its efforts to bringing the less fortunate sectors of the community to the levels achieved in organised sectors and that no fresh burdens should be imposed on employers providing welfare benefits to their workers until this was achieved. The questionnaire and the Association's reply are reproduced in the appendices to this report.

After visiting Jorhat and Tezpur, the Committee met representatives of employers in Assam at Shilong on the 29th April, 1968. This meeting was attended by the Chairman of the Assam Branch and the Shilong Adviser. The Committee also met representatives of employers at Calcutta on the 3rd May. This meeting was attended by the Chairman and the Senior Adviser.

In response to requests made at the meetings the Association submitted a supplementary note on the welfare amenities in the plantations industry in North East India and a report on the Association's Family Planning Programme. A note elucidating various points in the Association's reply to the Committee's questionnaire was also submitted. These documents are also reproduced in the appendices to the report.

The Association also provided detailed replies to various suggestions made by the Committee in correspondence such as—

(a) *Employees State Insurance Scheme.*—It was emphasised that the Association was opposed to the suggestion that the Employees State Insurance Scheme should be extended to plantations, in view of the fact that tea estates had well equipped hospitals and provided free medical facilities to their workers and their families. Sickness allowance and maternity benefits were paid and sick leave, which could be accumulated upto 74 days in certain circumstances, was allowed. Moreover the Employees State Insurance Scheme Review Committee did not favour the extension of the scheme to plantations and in the Committee's report it was recorded that the workers did not consider such an extension would be in their interests.

(b) *Plantations Labour Act Inspectorate.*—The Association opposed the suggestion that the inspectorate under the Plantations Labour Act should be extended to include a medical inspector. It was pointed out that the existing inspectorate was already adequate and the Rules empowered the State Governments to cause enquiries to be made by an officer not below the rank of Civil Surgeon in cases where complaints were received that the medical treatment provided by an estate hospital was inadequate.

(c) *Collection of cess on labour houses by local bodies.*—

The Association urged that houses provided by estates should be exempted from the levy of any taxes or cesses imposed by local bodies. Estates were required by law to build houses and to provide all the services necessary; in fact the labour lines were compact villages and local panchayats were not responsible for providing any services to the labour lines. As such there was no justification for these local bodies to levy taxes on labour houses.

(d) *Welfare Funds.*—It was recommended that small plantations should be treated as agricultural holdings and that the workers on such plantations should be entitled to such welfare

amenities as were available to their counterparts in agriculture.

The Association opposed the suggestion that a cess should be levied on large plantations to provide a Welfare Fund for the benefit of the small plantations. It was pointed out that the large plantations already spent a great deal of money on welfare measures which they could not afford and it would be inequitable to impose further burdens on them for the benefit of others.

The Association strongly opposed the suggestion that the responsibility of providing welfare amenities, not so far statutorily provided for, should be entrusted to the Tea Board or to Welfare Boards to be set up for the purpose.

Indian Labour Conference.— The twenty-fifth session of the Indian Labour Conference was held at New Delhi on the 20th and 21st April, 1968, and was attended by Mr. P. J. Parr, the Senior Adviser.

The main subjects for discussion were :—

(a) *New Family Budget Enquiry and publication of 1960 series of Consumer Price Index Numbers.*—It was agreed that the new series of consumer price index on base 1960 should be published and that the old series on base 1949 should be discontinued. The linking factor should be determined on the basis of the ratio between the two series taking an average of 12 months ending with the month with effect from which the old series was discontinued. The next family budget enquiry should be conducted during 1969/70.

(b) *Payment of Suspension allowance.*—It was recommended that the provision for the payment of suspension allowance included in the Industrial Employment (Standing Orders) Act, should also be incorporated in the Payment of Wages Act or any other Act as appropriate.

(c) *Payment of Bonus Act, 1965.*—No agreement could be reached on the question whether the Payment of Bonus Act should be amended to take care of the situation arising from

the striking down of Section 34(2) of the Act by the Supreme Court.

(d) *Amendment of the Industrial Disputes Act to prescribe a time-limit within which an industrial dispute can be raised.*—

No agreement was reached on the proposal to amend Section 25H of the Industrial Disputes Act to prescribe a time-limit within which an industrial dispute could be raised by the workmen.

Standing Labour Committee.— The twenty-eighth session of the Standing Labour Committee was held in New Delhi on the 18th July, 1968, and was attended by the Vice-Chairman, Mr. M. Lamond. The only subject for discussion at the session was automation. The employers were of the view that automation and computerisation must be allowed to continue. They were prepared to consult their employees and explain to them the effects of automation or computerisation but consultation could not amount to a “veto” by the employees. Employers were not in favour of a screening machinery but agreed that a study group might be set up to examine the various aspects of automation and computerisation. The employees’ view was that automation should only be allowed in exceptional cases where there was “compulsion”, in view of ‘potential unemployment and the present unutilised manpower’. What constituted compulsion should be spelt out. A study group should go into the question of the implications and effects of automation, and all programmes for automation or computerisation should be frozen meantime.

Minimum Wages (Central) Advisory Board.— The Eighth Session of the Minimum Wages (Central) Advisory Board was held in New Delhi on the 13th November, 1968, and was attended on behalf of the Employers’ Federation of India by the Senior Adviser, Mr. P. J. Parr.

The main points of interest as far as the tea industry is concerned were:—

- (a) *Unclaimed wages.*—Attention was drawn to the fact that the Gujarat High Court had declared the pro-

visions of the Bombay Labour Welfare Fund Act relating to "unpaid accumulations" to be *ultra vires* the Constitution. In the circumstances it was agreed to defer consideration of the proposal for the constitution of the Welfare Funds in each State until after the report of the Committee on Labour Welfare was issued.

- (b) *Minimum Wages Act*.—The Employers' proposal that the Minimum Wages Act should be amended to empower Government to delete industries from the schedule to the Act met with strong opposition from the employees' side.

Standing Labour Committee for Tea Plantations in Assam.—

The twentyeighth session of the Standing Labour Committee for Tea Plantations in Assam was held in Shillong on the 17th February, 1968, and the Association was represented at the Conference by Mr. F. R. Wilson, Mr. G. A. Duncan, Mr. A. T. A. McIntosh Smith, Mr. P. J. Parr, Mr. G. T. Allen, M. C., Mr. D. K. Dutta and Mr. R. K. Jaitly.

The principal subjects considered at the meeting were as follows :—

- (a) *Abolition of hospitals and withdrawal of medical facilities on some estates.*—It was agreed that (a) any future medical reorganisation schemes should first be discussed bilaterally between the management and workers and (b) if they failed to reach agreement then the workers' complaint should go to conciliation at which the Plantations Medical Inspector would be present.
- (b) *Housing.*—The bilateral agreement on specifications for labour houses was ratified.
- (c) *Anti-Malaria Scheme on Tea Estates.*—The Committee recorded its concern at the increase in the

incidence of malaria on tea estates and it was agreed that employers and employees would cooperate with the NMEP teams to ensure that labourers' houses were properly sprayed and that walls were not mud-plastered after they had been sprayed.

- (d) *Mechanisation and Automation.*—It was agreed that where any structural changes were proposed, apart from the usual legal action the employers would give notice of change to the Union; that the proposals would be discussed bilaterally with the workers; and that where bilateral discussions failed, the dispute might go to conciliation.
- (e) *Servant allowance to Staff.*—It was agreed that the dispute regarding servant allowance in the Assam Valley should be settled bilaterally as had been done in cachar.
- (f) *Concessional rations to non-resident workers.*—As the note on the subject had only been circulated a few days before the meeting it was agreed that the matter should be considered bilaterally in the first instance.
- (g) *Food Supplies.*—A tripartite Food Sub-Committee with the Labour Secretary as Convenor was set up to review the food supply position monthly.
- (h) *Take-Over of Tea Estate Schools.*—As this subject was due to be discussed by the Executive Committee of the A.C.K.S on the 3rd March it was agreed that the matter should be left over for consideration at the meeting of the Education Sub-Committee which had been called for the 22nd March.

The twentieth session of the Standing Labour Committee for tea plantations in Assam was held in Shillong on the

30th October, 1968, and the Association was represented at the conference by Mr. F. R. Wilson, Mr. G. A. Duncan, Mr. K. C. Sharma, Mr. P. J. Parr, Mr. E. K. Rawson-Gardiner, Mr. D. K. Dutta and Mr. R. K. Jaitly.

The meeting, which was attended by the Chief Minister, was devoted entirely to the question of the school-teachers employed in tea estate schools in the districts of Cachar and Sibsagar which had been taken over by the Government of Assam.

The employees' representatives declared that the Agreement which had been entered into by Government and the tea estates for the taking over of schools was not acceptable to them because the teachers' interests had not been protected in respect of the following matters :—

- (a) Provident Fund contributions by the Employers on that portion of the salary which they made up.
- (b) Increments which teachers would have received under the Wage Board agreement if they had continued their employment with the tea estates.
- (c) Variable dearness allowance which they would have received as above.
- (d) Travelling allowance.

They suggested that the teachers should be absorbed by the estates. The Employers' representatives regretted their inability to absorb all the teachers on the tea estates and suggested that the teachers should accept retrenchment compensation. Various offers and counter-offers were made in this connection but no settlement could be reached and the Employers withdrew all their offers.

The Employers agreed to consider the possibility of tea estates paying Provident Fund contributions on that portion of

the salary which was made up, subject to the demands for increments, dearness allowance and travelling allowance being dropped.

Wage Board for Tea Plantation Industry.— (1) *Variable Dearness Allowance.*—Under the Wage Board Agreement it is provided that Dearness Allowance for North East India tea estate employees should vary with the variation in the All India Consumer Price Index. The changes in D.A. are to be effected from the 1st April each year on the basis of the increase, above the base of 170 points, shown in the average index for the previous year subject to a maximum increase in any one year of 16 points and provided that there is no revision of D.A. beyond the limit of 200 points before the 31st December, 1970.

The average index for the year 1967 was announced as 209 in March, 1968. As the adjustment in the dearness allowance is limited to 16 points in any one calendar year and subject to a ceiling of 200 points, the liability for payment was based on the additional 16 points rise over the average index for 1966 which was 184 and the variable dearness allowance payable from 1st April, 1968, was calculated as follows :—

(a) Daily-rated labour	$0.4 \text{ paise} \times (14 + 16)$ = 12 paise per day.
(b) Clerical, Medical and Technical Staff	$0.4\% \times (14 + 16) = 12\%$ of basic pay as additional D.A.
(c) Subordinate Staff and monthly-rated employees	$0.3\% \times (14 + 16) = 9\%$ of basic pay as additional D.A.

It was recommended that the first payments at the new rates should be made as follows :—

- (i) in the case of monthly-rated employees along with their salary for April, 1968.

- (ii) in the case of daily-rated workers, on the first day in May, 1968.

It was also recommended that :—

- (a) Workers employed on ticca plucking should receive the variable dearness allowance in addition to their plucking wages, i.e. they should receive the 12 paise per day variable dearness allowance as a separate payment unless they do not work a full day, when they should receive a pro-rata amount.
- (b) Children in all areas should receive half the variable dearness allowance payable to the adult daily-rated workers, viz. 6 paise per day with effect from 1st April, 1968.
- (c) The variable dearness allowance should be calculated at the end of each month, rounding off the D. A. payable for the month for each worker to the nearest paisa, and should be paid on the first pay day in the following month.

(2) *Servant Allowance.*—In the Association's report for 1966 it was recorded that the Employers' representatives on the Wage Board had recorded a Minute of Dissent on the subject of servant allowance and that the Association had advised members to pay servant allowance in accordance with the recommendations recorded in this Minute of Dissent.

During the year the Association gave further consideration to the matter and in consultation with the Assam and Surma Valley Branches decided that in Assam the servant allowance should be paid in accordance with the recommendations of the Wage Board report as follows :—

- (a) On estates of less than 300 acres at Rs. 35 per month.

- (b) On other estates, except in cases where the individuals were already drawing more, at Rs. 55 per month.

Where employees on estates of 300 acres and over were drawing servant allowance at a rate lower than Rs. 55 per month, the allowance would be increased to Rs. 55 per month by annual increments not exceeding Rs. 5 per month, as follows:

Rs. 35 per month from 1.4.66
Rs. 40 per month from 1.4.67
Rs. 45 per month from 1.4.68
Rs. 50 per month from 1.4.69
Rs. 55 per month from 1.4.70

Payment of Bonus Act, 1965.—(1) *Payment of Bonus for the accounting year 1966 in Assam.*—The Association issued a guidance note to members in Assam under Circular Letter No. 76 dated the 27th May, 1968, advising them how their calculations for the payment of bonus in respect of the accounting year 1966 should be made. In the case of loss companies and those with inadequate profits it was recommended that applications should be submitted to the Assam Government for exemption from payment of minimum bonus.

Bonus was paid for the accounting year 1966 in Assam in accordance with the recommendations of the Branches as follows :—

Assam Valley—Between 15th September and 15th October, 1968, in accordance with the usual practice of the area.

Surma Valley—Just before the Pujas.

As in the previous year the Association agreed that in the Surma Valley estates whose applications for exemption for the

year 1966 were pending before the Assam Government or whose payment of bonus for 1966 was stayed by the High Court should make advances of Rs. 5/- for men and Rs. 4/- for women. It was also agreed that any advances made at Fagua/Durga Puja against bonus for 1966 should be adjusted.

The Sub-Committee set up by the Government of Assam to consider applications for exemption held several meetings, which were attended by the Shillong Adviser. The Sub-Committee rejected all applications for exemption but granted extension of time for the payment of bonus for the accounting year 1966.

Towards the end of the year the Association was advised that a tea company in Cachar had moved a petition before the Assam High Court and had obtained a stay order against the direction of the State Government to pay minimum bonus for the accounting year 1966 in spite of the fact that the company had suffered losses for three consecutive years.

(2) *Payment of bonus for the accounting years 1966 and 1967 in West Bengal.*—In last year's report it was recorded that the Association had put forward certain proposals for bringing the payment of bonus on tea estates in West Bengal into line with the provisions of the Payment of Bonus Act. The Association's proposals were not found acceptable by the sister Associations who considered that the past practice of paying bonus two years in arrears should be continued.

The Unions, however, continued to press the matter and at a tripartite conference held on the 11th March, 1968, an agreement was reached which provided for the payment of bonus for the accounting year 1967 and subsequent years to be made before the Durga Puja following the accounting year

closing December and for the payment of bonus for the accounting year 1966 to be made in three instalments as follows:

	<i>In hardship cases with the Unions' agreement</i>	<i>In other cases</i>
By June 1968	40%	50%
By March 1969	30%	25%
By March 1970	30%	25%

The first instalment of bonus for the accounting year 1966 was paid in June in accordance with the agreement. A guidance note was issued to members in West Bengal under Circular Letter No. 81 dated the 6th June, 1968, advising them how their calculations for the payment of bonus in respect of the accounting year 1967 should be made. In the case of loss companies and those with inadequate profits it was recommended that applications should be submitted to the West Bengal Government for exemption from payment of minimum bonus.

(3) *Servant Allowance and Bonus.*—During the year the Association received requests from the Unions in Assam and West Bengal for servant allowance to be taken into account in determining entitlement to bonus under the Payment of Bonus Act. This request was based on the wording of paragraph 4:34(c) of the report of the Central Wage Board for the Tea Plantation Industry, 1966, which reads as follows :—

“The servant allowance should be regarded as part of basic pay for purposes of overtime payment, provident fund contributions and bonus.”

The Association regretted its inability to accept this request on the grounds that the Payment of Bonus Act clearly indicates that allowances other than dearness allowance cannot be regarded as “salary” or “wage” for the purposes of the Act. It was pointed out that the illegality of the Wage

Board's recommendation had been drawn to the Board's attention before the report was finalised but the error had unfortunately not been corrected. Furthermore, the nature of the provisions of the Bonus Act was such that any extra benefit given to the staff in this connection would have to come out of the allocable surplus and would therefore be to the detriment of the main body of workers. To accept the Unions' request would therefore be illegal.

Towards the end of the year the West Bengal Tea Employees' Association filed an application under Article 226 of the Constitution in the Calcutta High Court praying for "a writ in the nature of mandamus or order or an order or a direction of a like nature" to be issued to the Government of West Bengal requiring them "to make a reference of the dispute to the appropriate Tribunals for adjudication and to proceed in accordance with the law".

North East India Tea Plantations Bonus Agreement, 1961.—The report for the year 1966 refers to meetings of the Bonus Board at which no agreement could be reached regarding the disposal of the undisbursed balances remaining in the Bonus Funds, namely Agency House Funds and the West Bengal Plantation Workers Bonus Fund, set up under the North East India Tea Plantations Bonus Agreement, 1961. At a meeting of the Bonus Sub-Committee of the Industrial Committee on Plantations held in November 1968, the question was again considered and it was unanimously agreed as follows :—

For Assam.—Undisbursed balances in Bonus Funds should be paid to the actual workers who had earned the bonus during the years in question or to their legal heirs. Whatever is left unclaimed after the disbursement of the funds should go to the Assam Tea Plantations' Employees' Welfare Fund.

"The undisbursed amount of the Pool Fund should be distributed amongst the workers concerned in proportion of 6/7th to labour and 1/7th to staff except in case of those com-

panies which had separate staff bonus agreement/schemes at the material time in which case the entire amount of such unused balance shall go to labour. The method of payment and other details may be decided by concerned managements and workers union.—

For West Bengal.—Undisbursed balances in Bonus Funds should be paid to the actual workers who had earned the bonus during the years in question or to their legal heirs. Whatever is left unclaimed after disbursement of the fund should be equally distributed amongst the existing workers as on 1.1.69 in the contributing tea estates.

The above decisions of the Bonus Sub-Committee were ratified at a meeting of the Bonus Board held in December 1968. It was also agreed by the Bonus Board that disposal of the balances in the Bonus Funds, in accordance with the above decisions, should be made as quickly as possible. Having regard to the detailed calculations which had to be made, the Board unanimously fixed the 30th April, 1969, as the target date by which the payments were to be effected. The Board further unanimously agreed that the Managers of Bonus Funds under the Agreement should submit to the Convenor of the Board, the Regional Labour Commissioner (Central), a statement showing the position of the funds under their management as at 30th December, 1968, the statements to reach the RLC by 15th January, 1969. On receipt of the statements, the RLC would circulate them to all members of the Board.

Charter of Demands of the Co-ordination Committee of Tea Plantation Workers, West Bengal.—At a meeting held on the 3rd February, 1968, the Co-ordination Committee of Tea Plantation Workers, West Bengal, adopted a resolution calling upon workers to observe a token strike on the 19th February, 1968, to protest against the employers action in stopping the issue

of rice. Resolutions were also adopted on the following points :—

- (a) The failure of the ITPA's estates to implement* the Wage Board's award in regard to servant allowance to be referred to arbitration.
- (b) Bonus for 1966 to be paid before the next Fagua festival.
- (c) The Chief Inspector of Plantations to take action against estates who had not supplied protective clothing to their workers.
- (d) Rations to be given to temporary workers also.

The Deputy Labour Commissioner, North Bengal, Siliguri, convened a tripartite conference on the 17th February, 1968, at Siliguri to discuss these demands. The meeting was attended by representatives of all the Branch Associations. After protracted discussions the Unions agreed that the strike should be deferred; that the question of the non-supply of the rice ration for the week ended 3rd February, 1968 would be considered at a meeting to be held in the first week of April; and that the subjects regarding bonus for 1966 and rations for temporary workers should be considered at a meeting at Calcutta to be held on the 6th March, 1968.

The meeting at Calcutta was held on the 11th March, 1968, and was attended by the Chairman of the West Bengal Sub-Committee, the Senior Adviser, the Calcutta Adviser and representatives from the Dooars and Darjeeling Branches. After prolonged discussions, agreement was reached that payment of bonus for the accounting year 1967 and subsequent years would be made before the Durga Puja following the accounting year

closing December and that Bonus for the accounting year 1966 would be paid in three instalments as follows :—

	In hardship cases by agreement with the Union.	In all other cases
In June, 1968	40%	50%
In March, 1969	30%	25%
In March, 1970	30%	25%

Discussions on concessional rations for temporary workers were deferred to a later date.

At a meeting held on the 12th May, 1968, the Coordination Committee of Tea Plantation Workers, West Bengal, adopted a resolution threatening to resort to peaceful direct action if the following demands were not met within the month of June, 1968 :—

- (a) That the ceiling on plucking ticcass should not exceed 21 kg. in the Dooars, 18 kg. in the Terai and 8 kg. in Darjeeling; that unauthorised plucking should be eliminated, and that full wages should be guaranteed for full-time work.
- (b) Extra leaf pice should be paid for at the rate of 9 paise per kg. in the Dooars and Terai and 15 paise per kg. in Darjeeling.
- (c) Chowkidars should be classified as monthly-rated sub-staff.
- (d) Rations to be issued to temporary workers.
- (e) ITPA estates should implement the Wage Board's award in the matter of servant allowance.

- (f) May Day holiday should be treated as an additional paid holiday and not as a substitute paid holiday;
- (g) Recommendations of the One-man Committee be implemented.

A Tripartite Conference was convened by the Deputy Labour Commissioner, Siliguri, on the 10th July, 1968, at Siliguri. The conference was attended by representatives of all the Branches.

All the Union's demands were discussed and it was agreed that a further meeting should be held in Calcutta on the 19th August, 1968. This meeting was attended by the Chairman, West Bengal Sub-Committee, Mr. R. L. Mellor, and the Calcutta Adviser, Mr. R. C. Mazumdar, assisted by representatives from the Branches. Almost the entire meeting was devoted to a discussion on the subject of rations for temporary workers. The employers' representatives strongly resisted the Unions' demands in this connection and the discussions proved inconclusive. On the other points it was agreed that the Unions should cite specific instances where the increase in tica plucking had led to a distinct fall in money earnings; that the Unions should put forward concrete proposals for revision of the extra leaf pice rates; and that the May Day holiday granted to workers might be adjusted against their annual leave, if they so desired. The meeting also discussed the Unions' demand for servant allowance to be taken into account for purposes of payment of bonus under the Payment of Bonus Act. This demand was resisted by the employers. It was agreed that a further meeting should be held at Siliguri on the 10th September, 1968, to discuss all outstanding points.

At the meeting held on the 10th September, 1968, a proposal was put forward by the Joint Labour Commissioner that rations might be issued to such temporary workers, who prior to their employment were dependants of permanent workers and

were getting dependants' rations. This proposal was not acceptable to the Unions and finally after considerable discussion it was agreed that this matter and all other outstanding matters might be considered by a Tripartite Committee consisting of five representatives each of employers and employees under the Chairmanship of either the Labour Commissioner, the Joint Labour Commissioner or the Deputy Labour Commissioner.

The Tripartite Committee met on the 24th September, 1968 at Jalpaiguri but no agreement could be reached on any of the points which came up for discussion.

Subsidised Housing Scheme for Plantation Workers.

In last year's report it was recorded that details of the subsidised housing scheme had become available through the Government of West Bengal and that a detailed study was being made of the outstanding housing programme and of the financial burden involved with a view to submitting to the Government of India and to the State Governments concerned an appreciation of the problems facing both the Industry and Government in the matter of completing the housing programme.

This study was completed about the middle of February 1968, when the Consultative Committee of Plantation Associations submitted a detailed representation—a copy of which is included in the appendices to the Government of India, with copies to the State Governments, pointing out that the total cost of completing the outstanding housing programme was estimated at Rs 66.41 crores of which—

Rs. 41.00 crores would be incurred in Assam

Rs. 23.72 crores would be incurred in West Bengal

Rs. 1.69 crores would be incurred in Tripura.

The annual outlay based on the prescribed target of 8% was estimated at Rs. 11 crores of which Rs. 8.25 crores would

have to be provided by the State Governments by way of subsidy, and loan and the balance by the Industry. As the loan was only payable after construction was completed and as the subsidy was payable in instalments, the industry's outlay could be upwards of Rs. 8.25 crores.

It was clear that the Industry did not have sufficient resources available to undertake an annual housing programme of this magnitude and it was likely that the Central and State Governments had not appreciated the extent of their own financial liability in the form of loan and subsidy for the execution of the housing programme at the prescribed 8% target annually. It was therefore suggested that the annual targets should be modified to a level within the resources of the Industry and the State Governments concerned and that an annual target equivalent to 4% of the outstanding balance of houses might be capable of achievement. No reactions have yet been received from the Government of India.

In April, 1968, the Government of West Bengal circulated copies of the Form of Agreement which establishest seeking assistance under the subsidised housing scheme would have to execute. The agreement covered the following main points :—

- (a) It would remain in force for 25 years from the date of completion of the houses, i.e. the period in which repayment of the loan is to be made.
- (b) All monies received as loan/subsidy would have to be kept in a separate banking account with a scheduled bank together with the amount to be contributed by the applicant himself.
- (c) Interest on the loan would be payable at 8% plus an additional interest of $\frac{1}{2}\%$ towards the Pool Guarantee Fund. In certain circumstances Govern-

ment would accept interest at the rate fixed by Government for Government loans.

- (d) The plans and specifications would have to be approved by Government and no other constructions would be allowed to be undertaken on the land and premises on which the approved houses were built except with Government's written permission.
- (e) The building materials and the houses themselves would have to be mortgaged to Government and until the mortgage was arranged a bank guarantee would have to be provided.
- (f) If there is a default in two consecutive instalments. Government may demand repayment of the entire loan plus interest.
- (g) Disputes would have to be referred to arbitration by a nominee of Government.

The Association asked for clarification regarding the rate of interest payable and in due course the Government of West Bengal indicated that in respect of loans which were paid regularly both in regard to the instalment and the interest, Government would levy interest at the Government rate of $5\frac{3}{4}\%$ per annum plus $\frac{1}{2}\%$ for the Pool Guarantee Fund and that the rate of 8% plus $\frac{1}{2}\%$ for the Pool Guarantee Fund would apply to cases where there was default in the payment of interest and/or instalment.

The ceiling cost of houses to be built under the subsidised housing scheme was increased by the Government of India from Rs. 3800/- to Rs. 4000/- per unit for Assam, West Bengal and Tripura.

The Assam Government made available in June the form to be used for applications for assistance under the Scheme

and copies were circulated to members under Circular Letter No. 100 dated the 5th July, 1968.

Tea companies in Assam and West Bengal have applied for assistance under the Scheme but up to the time of writing no assistance has been made available owing to a lack of finances with the State Governments.

The Consultative Committee of Plantation Associations therefore addressed the Assam and West Bengal Governments suggesting that if assistance could not be given because of lack of funds, Government should

- (a) follow a liberal policy in granting relaxation under the Plantations Labour Rules from the obligation to construct 8% houses annually;
- (b) refrain from prosecuting tea estates which were unable to fulfil the construction targets owing to the non-availability of loans/subsidies.

Labour Housing—Assam.— In last year's report it was recorded that an agreement has been reached between the Assam Branch and the Assam Cha Mazdoor Sangha on specifications for

- (a) double-unit houses of three rooms per quarter, and
- (b) single-unit houses of two rooms per quarter.

These specifications were approved at the meeting of the Standing Labour Committee, Assam, held on the 17th February, 1968, and were ratified by the Housing Advisory Board, Assam, at a meeting held on the 23rd March, 1968.

Consequent upon the Housing Advisory Board, Assam, ratifying the agreed specifications, the Government of Assam published them in Notification No. GLR 430/67/36 dated the

30th May, 1968, which appeared in the Assam Gazette of the 3rd July, 1968.

This notification not only covered the actual specifications of the labour houses, but also introduced paragraphs relating to spacing between the houses, drainage, latrines, water supply and bathing enclosures, paths and approach roads.

The Consultative Committee has suggested that the paragraph on water supply should be slightly modified to read as follows :—

“Water Supply : Provision should be made for at least 8 gallons of potable water daily per head of the resident population. The same may be either a tube well, ring well or tank, but a piped supply be preferred. *As far as practicable*, the water points should be so provided that the remotest house served is within 100 yards and at the rate of one for every 4/5 families.”

Assam Housing Advisory Board.— A meeting of the Assam Housing Advisory Board was held at Shillong on the 23rd March, 1968, and the Association was represented at the meeting by Mr. F. R. Wilson, and Mr. G. T. Allen, M.C.

The Board ratified the specifications for labour housing which had been drawn up as a result of a bilateral agreement between the Assam Branch and the Assam Cha Mazdoor Sangha.

West Bengal Housing Advisory Board.—One meeting of the West Bengal Housing Advisory Board was held during the year, on the 2nd July, 1968. The meeting was attended by Mr. R. L. Mellor, Chairman of the West Bengal Sub-Committee and Mr. R. C. Mazumdar, the Calcutta Adviser. The following were the main subjects considered :—

- (a) *Pool Guarantee Fund.*—The question whether the $\frac{1}{4}\%$ additional interest payable to the Pool Guarantee

Fund would be levied on all loans granted under the Housing Scheme, was discussed. The Government representative stated that the additional interest would be payable by all loanees. This appeared to be contrary to the Association's understanding that the additional interest would only be payable by those who were not in a position to furnish the required security and in whose cases it was necessary to relax the normal security conditions.

(The Association's view was subsequently confirmed by the Housing (Works) Department of the Government of West Bengal).

- (b) *Rammed earth floors.*—This proposal was opposed by the employees' representatives but it was agreed that employers in Darjeeling might consult the workers' organisations in that district to ascertain whether rammed earth floors would be acceptable.
- (c) *Tarred-felt Roofing instead of C.I. Sheets.*—This proposal was opposed by the employees' representatives and was not favoured by the Chief Engineer (Housing). Nevertheless it was agreed that a Study Group consisting of representatives of the Labour Directorate, the employers and the employees and a representative of the Housing Construction Board should make a survey of the position and submit a report.
- (d) *Tiled Roofs.*—It was agreed that the Study Group should look into the question of the continued use of tiles as roofing material in the light of the labourers' complaints.
- (e) *Housing Specifications for Sub-Staff, Technical, Medical and Clerical Staff.*—The employees' repre-

representatives suggested that specifications should be formulated for houses for sub-staff, clerical and medical staff and technicians. It was agreed that the Study Group might carry out a survey of houses occupied by such staff as were "workers" as defined by the Plantations Labour Act.

(f) *Applications for relaxation of construction target.*—

The Board considered applications for relaxation from building the required 8% houses in 1968 and granted relaxations which varied from 20% to 50% to 16 estates. The Board rejected the applications of 67 estates.

Assam Medical Advisory Board.— By a notification dated the 26th September, 1968, the Government of Assam reconstituted the Medical Advisory Board under the Plantations Labour Act. The Association is represented on the new Board by the Shillong Adviser and the Chairmen of the Assam and Surma Valley Branches.

West Bengal Medical Advisory Board.— One meeting of the West Bengal Medical Advisory Board was held during the year, on the 2nd August, 1968, and was attended by Mr. R. L. Mellor, Chairman, West Bengal Sub-Committee and Mr. R. C. Mazumdar, Calcutta Adviser. The following were the main subjects considered at the meeting :—

(a) *Appointment of medical and advisory personnel.*—

The All-India Licenciates' Association had suggested that the scale prescribed under the Plantations Labour Rules for the appointment of medical and auxiliary personnel required amendment because tea estates were now required to provide medical facilities not only to the workers but also to their families. The employers' representatives strongly opposed the suggestion that there should be an increase in the

number of medical and auxiliary personnel, on the grounds that tea estates had always provided medical facilities to the workers and their families and that the amendment to the Plantations Labour Act had merely made statutory what estates had previously provided voluntarily. Furthermore, the health of the workers and their families had improved considerably since the time when the standards were first laid down.

- (b) *Detention beds on tea estates.*—It was proposed that inaccessible plantations should provide at least two detention beds in their dispensaries.
- (c) *Hospital Diet.*—It was suggested that a general minimum cost of diet should be prescribed to ensure that patients were given proper food in estate hospitals.
- (d) *Joint Hospitals.*—It was agreed that the possibility of having joint hospitals serving a number of estates, instead of individual hospitals on estates, should be investigated.

Medical Services on Tea Estates. Under the Plantations Labour Rules, tea estates are required to submit periodical returns showing the progress being made by them in providing medical facilities to their staff and labour. The standards reached by members at the 31st December, 1967, are recorded for information :—

	<i>Members' Standards as at 31.12.67</i>	<i>Plantations Labour Rules Standards</i>
	(Per thousand workers)	
Hospital Beds	... 37.35	15.00
Doctors	... 1.70	0.57
Midwives	... 1.89	0.57
Nurses	... 1.67	1.43
Compounders	... 1.48	0.57
Anti-Malarial Health Assistants	... 0.63	0.48

Health Assistants Course.— A Health Assistants Training Course was conducted by the Principal, Ross Institute of Tropical Hygiene, India Branch, at Cinnamara from the 13th to 31st May, 1968.

Protective Clothing : West Bengal.— In last year's report it was recorded that the Government of West Bengal had amended its notification on the subject of protective clothing to provide for the issue of "umbrellas" instead of "japhis or umbrellas".

In Darjeeling it had been the practice to issue ghooms instead of umbrellas to labour, and efforts were made to persuade Government to further amend its notification to allow the issue of ghooms in Darjeeling both because ghooms were better suited to the hill districts and also because the abolition of ghooms in favour of umbrellas would jeopardise the existence of a fair-sized cottage industry in the hill areas.

At a tripartite meeting held in Darjeeling on the 26th February, 1968, it was agreed that umbrellas should be issued in 1968 but that a Committee should be appointed by Government to investigate the practicability of issuing ghooms in the hill areas of Darjeeling. By a notification dated the 18th April, 1968, the Government appointed the Deputy Labour Commissioner, Siliguri, as a one-man Committee to look into this matter.

Up to the end of the year the Committee's report had not been published but it is understood that the proposal to issue ghooms instead of umbrellas has been rejected.

Issue of firewood to tea estate workers.—Owing to the rapidly dwindling availability of firewood, consideration has been given for a number of years to the possibility of issuing an alternative fuel. On the 5th July, 1968, an agreement was reached between the Darjeeling Branch and the three major Unions operating in

that district for the standardisation of issues of firewood and for the gradual introduction of the issue of soft coke in the ratio of one maund of soft coke to 3 maunds of firewood. A copy of the Agreement is reproduced in the appendices to this report.

Provident Fund : (1) *Assam*.—The Association continued to be represented on the Board of Trustees of the Assam Tea Plantations Provident Fund by the Shillong Adviser and Mr. G. A. Duncan and on the Executive Committee by the Shillong Adviser. One meeting of the Board was held on the 28th March, 1968, and there were two meetings of the Executive Committee, one on the 27th March, 1968, and the other on the 1st November, 1968. The rate of interest for 1967/68 was fixed at 3% on the members' balances at 1st April, 1967. The rate of administrative charges for the year 1968/69 payable by the employers was fixed at 2.25% on the gross collection for the year 1967/68.

(2) *West Bengal*.—Seven amendments were made to the Scheme under the Employees Provident Fund Act, 1952, during the year and copies of those which were of interest were circulated to the members concerned.

At a meeting held in Bangalore on the 5th August, 1968, the Central Board of Trustees agreed that the provident fund accumulations in the exempted and non-exempted funds should be invested for the period from 1st September, 1968, to 31st March, 1969, in the following manner :—

- (i) in securities created and issued by State Governments and other securities guaranteed by the Central Government—not exceeding 35%
- (ii) the balance in Central Government securities including any savings or other certificates issued by the Central Government.

This decision was made effective by the issue of notifications dated the 22nd August, 1968, by the Government of India.

The Association was asked to consider a suggestion by the Central Provident Fund Commissioner that paragraph 32 of the Employees' Provident Fund Scheme should be amended so that employers who failed to remit to the Provident Fund the employees' contributions deducted by them would be debarred from making deductions after a period of three months; and that thereafter the employer would be liable to pay both his own and the employees' shares to the Fund.

The Association considered the proposed amendment too harsh. Having regard to the fact that the Provident Fund authorities had already increased the scale of damages to be levied on employers who delay in payment of provident fund contributions and had also started initiating penal action against defaulting employers, the proposed amendment appeared to be entirely uncalled for. It was suggested that no amendment should be made without reference of the problem to the Indian Labour Conference or the Standing Labour Committee.

Some tea estates reported that Provident Fund Inspectors were insisting that declaration forms (Form 11) should be completed in respect of temporary workers. This was verbally represented to the Regional Provident Fund Commissioner during his visit to Darjeeling in June and taken up later in writing. It was pointed out that no useful purpose would be served in obtaining these declaration forms from seasonal workers on tea estates because they were engaged for only a few months in the year and would never be able to attain the qualifications necessary to make them eligible for Provident Fund benefits.

The completion of declaration forms would only impose an additional burden on the staff when they were fully occu-

pied with manufacturing work. It was suggested therefore that tea estates should be exempted from obtaining declaration forms from temporary workers.

Up to the end of the year the Regional Provident Fund Commissioner had taken no action on the Association's request.

Assam Tea Plantations Employees' Welfare Fund : "Unpaid Accumulations".— Towards the end of 1967, tea estates in Assam received circulars from the Welfare Commissioner, Assam Tea Employees' Welfare Board, drawing their attention to the following resolution adopted by the Board at a meeting held on the 9th November, 1965:—

"All "unpaid accumulations" accruing within 10 years immediately preceding the date of enforcement of the Assam Tea Plantations Employees Welfare Act, 1959, including the amounts transferred to Head Office, written off or utilised, except amounts utilised for labour welfare, less the amounts already paid as taxes on the said amounts, be credited to the Welfare Fund. The employers representatives further agreed to the Labour Minister's suggestion to circulate to their member gardens this decision of the Board and to instruct them to clear all payments on this account at an early date."

and requesting them to transfer to the Welfare Fund all "unpaid accumulations" accruing within the 10 years immediately preceding the date of enforcement of the Assam Tea Plantations Employees' Welfare Act, 1959.

It was the Association's view that, of the amounts which were due for payment before the 23rd June, 1957, and which remained unpaid at the 23rd June, 1960, only those sums which were in a distinct suspense account on the 23rd June, 1960, should be treated as "unpaid accumulations" and paid over to the Welfare Fund.

The Assam Government, however, advised that the Legal Remembrancer's opinion was that monies transferred from tea estates to head offices or written off before the Act came into force could be termed "unpaid accumulations" whether or not they had been utilised.

The Association asked Government to make available a copy of the Legal Remembrancer's opinion to enable consideration to be given to the Welfare Commissioner's request. Government, however, were reluctant to do so and it was only late in the year that details became available.

At about the same time the Association's attention was drawn to the judgement of the Gujrat High Court—published in Labour Law Journal 1966 Vol I page 124—in which the provisions of the Bombay Labour Welfare Fund Act, 1953, as amended by the Bombay Labour Welfare Fund (Gujrat Extension and Amendment) Act, 1962 relating to "unpaid accumulations" were held to be *ultra vires* the Constitution. As it appeared to the Association that the reasons given in the Gujrat judgement in support of the Court's view that the Gujrat Act was invalid might also apply to the Assam Act, the matter has been referred to the Association's solicitors for Counsel's opinion.

Labour Welfare, Assam.—(1) *Rowriah Welfare Training Centre.*—Three training courses were held during 1968 at the Rowriah Welfare Training Centre. Agency Houses were asked to provide twenty candidates for each course from the estates under their control, 5 candidates being allocated to Proprietary interests in the membership of the Assam Branch.

(2) *Mazengah Training Centre for Women.*—Two courses were held at the Mazengah Training Centre during 1968 and Agency Houses were asked to provide sixteen candidates for each course, which included "creche attendants" training, from estates under their control.

Family Planning.— The Association's Family Planning Project continued in operation during the year under the direction of Dr. A. Gilroy, O.B.E., M.B.B.S., D.T.M. & H., Principal of the Ross Institute of Tropical Hygiene, India Branch, which retained responsibility for the distribution of supplies of IUDs received from Government. During 1968, 5,136 loops were inserted on tea estates in Assam and West Bengal making the local insertions up to the end of December 1968, 55,632 loops.

Mr. A. F. Macdonald continued to represent the Association on the West Bengal Family Planning Council while Dr. A. Gilroy, O.B.E. continued to represent the Association on the Assam Family Planning Council.

In last year's report it was recorded that confirmation had been received that the scheme for financial assistance to Government hospitals introduced by the Government of India would also be applicable to recognised tea estate hospitals. In November 1968, the Association submitted an application for recognition of the estate hospitals under the Eastern Dooars Medical Association to the Director of Health Services, Government of West Bengal. Government's reply is still awaited.

Education : Take-over of Tea Estate Schools in Assam.— In last year's report it was recorded that the State Board of Elementary Education, Assam, had drawn up an agreement, under which it was proposed to take over all tea estate schools in Jorhat, Sibsagar, Golaghat, Karimganj, Hailakandi and Silchar, and that the Chief Minister of Assam had issued instructions that the take-over should be completed before the 31st January, 1968. The Association had accordingly advised members concerned to execute the agreements and to hand over the schools to the Education Board. By the end of January 1968, however, only 207 schools in Sibsagar and Cachar had been taken over. At the meeting of the Education Committee of the Assam Standing Labour Committee held on the 6th February, 1968, however,

the representatives of the A.C.K.S. repudiated the form of agreement on the grounds that they had not been consulted on its terms and that no provision had been made for the payment of compensation on account of bonus, travelling allowance and annual increments. The Union also complained that the teachers who had been taken over had not been paid their salaries for January and were, therefore, suffering considerable hardship. Neither the Employers' nor the Government representatives were in a position to accept the Union's demands for compensation and the meeting of the Sub-Committee was terminated on the understanding that further consideration would be given to the Union's demands at the meeting of the Standing Labour Committee due to be held on the 17th February, 1969. To alleviate the hardship of the teachers as regards the payment of their salaries it was agreed that estate managements would as a temporary arrangement pay the teachers on behalf of Government provided that the School Board first calculated the individual teachers' salaries and handed over the money to the managements for disbursement. This arrangement was continued until September.

The Union's demands continued to be discussed throughout the year at meetings of the Education Committee and finally at the meeting of the Standing Labour Committee held on the 30th October, 1968. The Union's representatives suggested that tea estates should absorb all their erstwhile teachers. The employers indicated that this would not be possible except in a few cases. The Union's demands that the tea estates should continue to pay provident fund contribution on that portion of the teachers' salary which was paid by the estate; allow the teachers their increments under their previous scales; pay them variable dearness allowance and travelling allowance were not acceptable to the employers, who eventually suggested that the teachers should accept retrenchment compensation from the estates thereby cancelling all the employers' existing obligations. Various formulae for the calculation of the retrenchment com-

pensation were suggested but no agreement could be reached and the employers eventually withdrew all their proposals.

The position remained unsettled up to the end of the year.

Workers' Education Scheme. Three courses each were held at the Workers' Education Centres at Tezpur and Tinsukia as follows :—

<i>Tezpur</i>	<i>Tinsukia</i>
1st January, 1968	1st January, 1968
1st May, 1968	1st May, 1968
1st November, 1968	25th September, 1968

and Agency Houses were requested to nominate 17 candidates for each of the courses held at Tinsukia and 12 candidates for each of the courses held at Tezpur. Owing to a lack of suitable candidates, however, all the seats allotted could not be taken up.

Holidays with Pay.— (a) *May Day.*—The Association recommended that where there was an approach by the workers on tea estates in West Bengal for a paid holiday on the 1st May, 1968, a paid holiday should be granted in substitution for either Sunday, the 28th April or some other paid holiday.

(b) *Gandhi Jayanti.*—In previous reports it has been recorded that efforts were being made to persuade the Unions in Assam to agree to the replacement of the paid holiday observed on the 2nd October by a holiday on the 30th January. A settlement on this matter was reached in September, 1968 under which it was agreed that tea estates would grant their workers an extra paid holiday during the year on the occasion of Bohang Bihu which falls on the 13th or 14th April; that the 30th January would be observed as a paid holiday instead of the

2nd October; that facilities for a prayer meeting would be provided to workers before they went to work on the 2nd October; and that in the event that the 30th January or Bohang Bihu fell on a weekly day of rest, the next day would be observed as a paid holiday.

For 1968 in lieu of the holiday on the 2nd October, 1968, it was agreed that workers should be allowed an extra day's leave with pay along with their annual leave.

Retirement age and retirement benefits for Tea Estate employees in West Bengal.— In last year's report it was recorded that the Government of West Bengal had referred the industrial dispute in regard to retirement age and retirement benefits for tea estate employees in West Bengal to the First Industrial Tribunal for adjudication. The case was subsequently transferred to the Eighth Industrial Tribunal.

Under instructions from and on behalf of Gairkata Tea Company Limited a "notice of demand for justice" was served by their lawyers on the Secretary, Department of Labour, Government of West Bengal, contending that the issue before the Eighth Industrial Tribunal, namely, "Retirement Age and Retirement Benefits for the workmen including clerical and medical staff" was not a matter specified in the Second or in the Third Schedule of the Industrial Disputes Act, 1947, and was accordingly not a matter referable for adjudication by an Industrial Tribunal. Government were, therefore, requested to revoke the said Order of Reference and take appropriate steps to set aside the Order (as being illegal, invalid in law, inoperative and without jurisdiction) failing which the High Court would be moved challenging the validity of the Order of Reference and seeking appropriate relief. It was further contended that the Order of Reference was also bad in law as being of a discriminatory nature in that the tea industry was being discriminated against, compared to other labour-inten-

sive foreign exchange earning industries, in the matter of retirement age and retirement benefits.

As no action was taken by the Government of West Bengal within the time-limit stipulated in the "notice of demand for justice" the High Court was moved under Article 226 of the Constitution of India, and the Gaikata Tea Company Limited obtained a Rule and an ad interim injunction according to which the Eighth Industrial Tribunal, the Unions, other tea estates who were made parties to the dispute and the Government of West Bengal were restrained from proceeding with the suit until the Rule was disposed of. The High Court granted liberty to the respondents to pray for a vacation of the injunction. As stated above, the Rule has been obtained on the grounds that the Government's Order of Reference is bad in law, beyond jurisdiction, *ultra vires* the Industrial Disputes Act and discriminatory in character.

On the 17th December, 1968, the West Bengal Tea Employees Association moved a petition in the High Court for an order to vacate the stay of further proceedings before the Eighth Industrial Tribunal. The parties have been asked to submit their respective statements.

Pharmacists and Compounders. In last year's report it was recorded that the Association had approved certain recommendations regarding the grading and promotion of Pharmacists/Compounders. The recommendations formed the basis of negotiations between the Assam Branch and the Assam Chah Karmachari Sangh in the Assam Valley and between the Dooars Branch and the West Bengal Tea Employees Association in the Dooars. An Agreement to be effective from 1st April, 1968, was eventually signed in Assam by the Assam Branch and the other sister Associations and the Assam Chah Karmachari Sangh on the 11th June, 1968, and in the Dooars

by the Dooars Branch and the West Bengal Tea Employees Association on the 4th July, 1968, on the following lines :—

1. On first appointment all Pharmacists/Compounders shall be placed in the Medical Grade III, their placement in the scale depending upon age, qualifications and experience.
2. Promotion of Pharmacists/Compounders to 'Medical Grade II shall be considered only when a Pharmacist/Compounder :
 - (a) is fully qualified i.e. holds a diploma or certificates certifying that he has passed the Pharmacists/Compounders examination and is registered under the Pharmacy Act, 1948,
 - (b) in the absence of the above qualification, that he has passed a test set by a panel of three Chief Medical Officers including the Chief Medical Officer under whom he is practising, and
 - (c) his basic salary in Medical Grade III scale is at least Rs. 180/- (for estates of 300 acres and above) and Rs. 120/- (in the case of other estates) i.e. the point reached on the scale approximately after 10 years' service.

Travelling Allowance for Clerical and Medical Staff in the Dooars.— In accordance with the arrangements in force since 1st January, 1955, the clerical and medical staff in the Dooars were entitled to claim travelling allowance at the rate of three returns fares at second-class rates by railway to and from their homes, subject to a maximum of Rs. 200/- for a man and wife, provided that the journeys were actually undertaken. A single man was entitled to travelling allowance on the basis of 1½ return fares subject to a maximum of Rs. 100/- under the same conditions. During the year under review, the Association ac-

cepted a recommendation of the Dooars Branch that the above-mentioned maximum rates of travelling allowance payable in the Dooars should be increased to Rs. 230/- for a man accompanied by his wife, and to Rs. 115/- for a single man, the other conditions governing the payment of the allowance remaining unchanged. A circular letter to this effect was issued by the Association to all members with interests in the Dooars when it was recommended that the new rates of travelling allowance should be paid in respect of all leave granted on or after the 1st January, 1969.

Labour Relations.— In 1968, 83 strikes were reported from member gardens as compared with 178 in 1967. In 62 of these instances the stoppage of work lasted not more than one day, but in 7 cases the strikes continued for more than five days. The number of mandays lost however increased from 2,03,167 in 1967 to 2,31,907. The loss of production was estimated at 7,19,915 kilograms of tea against a loss of 6,64,791 of tea in 1967. A brief analysis of the statistics in respect of each district is given in the following paragraphs, in which for the purposes of comparison the corresponding figures for 1967 are shown in brackets.

In the Assam Valley 18 (57) strikes occurred, involving 10,701 (49,788) workers; 13,339 (88,261) mandays were lost with a loss in wages of Rs. 30,874 (Rs. 2,39,061). Production losses amounted to 44,964 (3,35,306) kilograms.

In Cachar there were 7 (2) strikes in 1968. The number of workers involved totalled 3,574 (5,417). The number of mandays lost amounted to 12,598 (5,417) while the loss in wages was estimated at Rs. 21,462 (Rs. 8,977). The loss in production amounted to 9,645 (48,372) kilograms.

In the Dooars there were 31 (22) strikes involving 12,041 (49,381) workers. The number of mandays lost was 1,82,745 (55,694) and the wages lost amounted to Rs. 4,16,523 (Rs. 1,

30 139). The loss in production amounted to 6,18,980 (1,61,157) kilograms.

In Darjeeling there were 16 (86) strikes. The number of workers involved totalled 8,410 (43,083). The number of mandays lost amounted to 11,871 (43,083) while the loss in wages was estimated at Rs. 21,261 (Rs. 79,321). The loss in production amounted to 15,205 (81,043) kilograms.

In the Terai 11 (11) strikes took place in 1968 involving 5,606 (4,312) workers. The number of mandays lost was 11,354 (10,712) and the wages lost amounted to Rs. 22,734 (Rs. 21,387). The loss in production amounted to 31,121 (38,913) kilograms.

LAND MATTERS

Land Acquisition Act, 1894.—In last year's report it was recorded that a Committee had been set up by the Government of India to review the entire working of the Land Acquisition Act 1894 and to suggest improvements for its administration and that the Association had submitted a reply to the questionnaire issued by the Committee.

The Committee visited Calcutta in June 1968 to take oral evidence and the Association was represented on the Bengal Chamber of Commerce and Industry delegation which appeared before the Committee by the Senior Adviser, Mr. P. J. Parr.

The discussions at the meeting were by and large confined to the broad terms of reference of the Committee but the Association's representative in referring to the desirability of uniform legislation was able to draw attention to the hardship which tea companies faced in Assam because the State Government invariably requisitioned land under the Assam (Land Requisition and Acquisition) Act 1948, which provided for compensation to be paid at a lower rate than that provided under the Land Acquisition Act. Attention was also drawn to the acquisition of surplus land in West Bengal under the West Bengal Estates Acquisition Act without the payment of adequate compensation.

West Bengal Estates Acquisition Act.—In last year's report it was recorded that tea estates in the Dooars had received demands from the Collector for the payment of rent at revised rates for period extending as far back as 1955/56 in some cases and that Rai Bahadur Bipul Banerjee had advised his clients to resist the demands on the grounds that the West Bengal Estates Acquisition Act and Rules did not apply to tea estates.

During the year this matter received further consideration. Legal opinions obtained by certain tea companies seemed to in-

dicate that there was a case for contesting the enforcement of the Act on tea estates and that Government might be acting unconstitutionally in demanding enhanced rents retrospectively and in refusing to renew tea garden leases in the existing forms with minor amendments where necessary. A brief was accordingly prepared and sent to the Association's solicitors who have been asked to obtain the opinion of eminent counsel. The opinion is still awaited.

In the meantime the Association has received reports that one or two estates have obtained stay orders from the Calcutta High Court as a result of writ petitions made by them on the grounds, among others, that the West Bengal Estates Acquisition Act does not apply to tea estates in North Bengal and that tea estates are not intermediaries.

By a notification dated the 7th September 1968 the Government of West Bengal set up two Committees, the Jalpaiguri District Tea Estates (Resumption of Land) Advisory Committee and the Darjeeling District Tea Estates (Resumption of Land) Advisory Committee.

The terms of reference of these Committees are :

- “(a) To examine such cases, as may be referred to it by Government of land comprised in a tea garden and to make recommendation to the Government as to the quantity of land which is required for the Tea Estate and which it may be allowed to retain under sub-section (3) of section 6 of the West Bengal Estates Acquisition Act, 1953 (West Bengal Act I of 1954). In making such an examination and submitting its recommendations to the Government the Committee may make or cause to be made such surveys or local enquiries as may be necessary and shall give the management of the Tea Estate an opportunity to be heard.

- (b) The Government may also refer to the Committee cases in which the management of a Tea Estate has sought for a review of a decision already taken by Government under sub-section (3) of Section 6 of the Estates Acquisition Act, 1953. The Committee shall deal with such cases also in the manner mentioned in paragraph 2(a) above."

These Committees are composed of Government officials, including the Divisional Commissioner and the Deputy Commissioners of the two Districts, but the Chairman may, at his discretion, invite representatives of the tea estates or any other person with specialised knowledge or experience to be present and to assist the deliberations of the Committee. The Chairman of the Tea Board or his representative may also be asked to associate himself with the deliberations of the Committee.

It is Government's hope that it will be possible to arrive at a satisfactory overall compromise in connection with the various matters under dispute through these Committees; and the Association has been assured that the Committees will review all pending cases and that applications for the release of lands which were under notice of resumption but which had not actually been taken over would receive sympathetic consideration.

Members were accordingly advised to submit review petitions in respect of such lands as might be needed by the estates for their expansion programmes.

Assam Government's Land Settlement Policy, 1968:—The Government of Assam formulated a new Land Settlement Policy and circulated it for general information in the form of a Resolution under Notification No. RSS/148/67, dated the 20th January 1968, which was published in the Assam Gazette Part IIA of the 14th February 1968. An amendment to the Resolution was published under notification No. RSS/14/67/168 in the Assam

Gazette of the 27th March 1968. Relevant extracts from the notification are reproduced in the appendices to this report.

The Resolution as amended covered three points of special interest to tea estates :—

- (a) Government intend to reduce the ceiling on land which may be held by owners or tenants under the Assam Fixation of Ceiling on Land Holdings Act, from 150 bighas to 100 bighas because it considers that an area of 100 bighas cultivated by modern scientific methods would be the more appropriate average size which would ensure a reasonable standard of living for an average family;
- (b) The exemption of land held for special cultivation of tea is to be strictly defined in the Ceiling Act, with clear directions for determining the surplus area;
- (c) When surplus tea estate land is requisitioned and acquired for cultivation by landless cultivators, an area of up to 50% of such land should be allotted to the unemployed labourers resident on the estate who have no land for cultivation.

In pursuance of this policy Government introduced in the Assam Assembly a Bill to amend the Assam Fixation of Ceiling on Land Holdings Act, details of which are mentioned elsewhere in this report.

In view of the decision to allow 50% of requisitioned land to the unemployed resident on tea estates, it was suggested to members that managers might be advised to prepare lists of such unemployed whom they might wish to recommend for the grant of such land in the event of any land being declared surplus under the Ceiling on Land Holdings Act.

Assam Fixation of Ceiling on Land Holdings Act, 1956.—In last year's report it was recorded that following the Association's objections to District Officers regarding land in excess of the 1:2 formula as land not ancillary to the cultivation of tea, the Government of Assam had explained that these officers had been asked to use the formula as a guide whenever they found it difficult to decide whether certain lands were held by tea estates for ancillary purposes or not.

During the year it came to the attention of the Association that the Government of Assam had announced a new Land Settlement Policy and that in pursuance of this policy a Bill had been prepared to amend the Assam Fixation of Ceiling on Land Holdings Act.

The salient features of the Bill which are likely to affect the Industry are:—

- (a) the ceiling on land which may be held as owners or tenants is to be reduced from 150 bighas to 100 bighas; and
- (b) lands held for purposes ancillary to the special cultivation of tea shall not be more than twice the area under tea.

As this proposal would seriously affect the future expansion programmes of tea estates, the Consultative Committee of Plantation Associations made a representation to the Tea Board suggesting that the Board should use its good offices to secure the withdrawal of the proposed legislation.

It was pointed out that if the amendments proposed were passed, it would make the 1:2 formula law whereas it had hitherto only been used unofficially as a yardstick to determine whether an estate could be regarded as having surplus lands, with particular reference to land requisitioning proceedings. In some cases, the area cultivated by the tea estate labour was so

large that if no special relaxation was given in the 1:2 formula, sufficient land would not be available for the estate's immediate requirements for labour housing, factory building etc. and there would be no margin for extending the tea area. In Cachar, owing to the natural topography, the rigid application of the formula could well mean that no land at all would be available for expansion. There was also a danger that when the Bill came up for discussion in the Assembly, Government might come under pressure to reduce the ratio from 1:2 to 1:1.

The Tea Board have taken the matter up with the Government of Assam, and further developments are now awaited.

Assam Land and Revenue Regulations, 1886. In last year's report it was recorded that some tea estates had received demands from Settlement Officers in Assam under Rule 40A of the Settlement Rules of the Assam Land & Revenue Regulations 1886 for the payment of premium in respect of certain of their lands under tea, on the grounds that as the land had originally been settled as agricultural land and as it was now being used as land under special cultivation, a conversion fee or premium was payable by the estates.

As the rate of premium demanded appeared to be excessive, the Association had asked the Tea Board to take the matter up with the Government of Assam to secure the exemption of tea estates from the payment of the conversion fee. Towards the end of the year under review the Association was advised by the Tea Board that the Government of Assam had indicated that no exemption from the payment of the fee could be granted.

The Shillong Adviser, however, had in the meantime ascertained that the reason for the high and varying rates of premium charged was the fact that Government had decided that the premium should be fixed at $33\frac{1}{3}\%$ of the market value of

the land and that the market value should be determined by the local Sub-Deputy Collector. It has since been reported that on a writ petition issued by a member Tea Company, the Assam High Court has issued a rule calling upon the Assam Government to show cause why notices issued on the Company for the conversion of land held under Periodic Pattas to land under special cultivation under Rule 40A should not be cancelled. The High Court also passed orders staying the operation of the impugned notices.

The Company challenged the notices issued by the Assistant Settlement Officer on the following grounds :—

- (a) The word "ancillary" is nowhere to be found in the Settlement Rules and, as such, land used for purposes ancillary to the cultivation of tea is not attracted by Rule 40A.
- (b) Since ordinary Khiraj Patta lands were settled with the Company before 1931 (i.e. the year in which Rule 40A was incorporated in the Rules), Rule 40A is not attracted even if such lands have since been cultivated with tea.

Resettlement of Darrang District. The Government of Assam published a notification dated the 19th March, 1968 in the Assam Gazette of the 27th March, 1968 directing that all classes of estates borne on the revenue roll of the district of Darrang be brought under settlement with effect from the 1st July, 1968. This was a follow-up of the forecast report in connection with the settlement of the district published in 1965, to which reference was made in the Association's reports for 1966 and 1967. It was indicated that the settlement operations would consist of, among the other things, reassessment. As reassessment would probably involve increased rents, and as tea estates were to be given an opportunity to file objections against such assessments, it was suggested that those members

who felt that owing to the gradual erosion of profitability, no increase in land rent was justified in their cases, should prepare fully documented cases in support of their appeals.

Survey of Tea Estate Lands for grant of Tenancy Rights to Non-Workers.—In last year's report it was recorded that the Government of Assam had issued instructions to District Officials to carry out a survey of tea estate lands occupied by non-workers and that it appeared that the object of the survey was to grant tenancy rights to such non-workers in possession of tea estate land. The Consultative Committee of Plantation Associations had made representations on behalf of tea estates in Cachar, which were likely to be the most affected, urging Government not to proceed with its proposal to grant tenancy rights to non-workers, or at least to modify it, so as not to endanger the integrity of the estates, by conferring tenancy rights only on those who held lands on the perimeter of the estate gran and those whom, by exchange or readjustment of holdings, as far as practicable, it was possible to settle on the perimeter of the estate.

In April 1968 representatives of the Surma Valley Branch met the Revenue Secretary of the Government of Assam to draw his attention to the practical problems to which the survey had given rise. It was pointed out that it would be difficult to ascertain who was a "non-worker", an "ex-tea estate worker" or a "retrenched worker" because tea estates in the plucking season offered work to those resident on the estate. Government's proposal to grant tenancy rights to non-workers, etc. was encouraging these persons to refuse work and some estates as a result were suffering from a shortage of workers. Furthermore, giving tenancy rights to ex-workers would endanger the integrity of the estate in that the estates would no longer have control over such land, and, if the properties were later disposed of to outsiders, other problems

would arise. The following proposals were therefore put forward:—

- (1) A Committee may be formed with experienced planters and senior Government officials to scrutinise the position of individual estates and try to find ways and means of allowing tenancy rights to ex-workers, retrenched workers and non-workers.
- (2) In view of the formation of the above Committee, survey work on tea estates may be postponed for the time being.
- (3) Government may call for the lists of retrenched workers and ex-workers with their khet holdings to simplify the work of the surveyors, who can visit the estate to verify these lists.
- (4) All possible precautions to be taken by both Government and Employers so that the Tea Industry's long-term interests are safeguarded, as land and labour which may appear to be surplus today may be required after some years with improved conditions in the Industry.

The Revenue Secretary regretted his inability to accept the Branch suggestions and indicated that the matter would have to proceed according to the law, which Government now intended to enforce. In regard to the irregularities reported, he indicated that orders would be issued to the Settlement Officers to ensure that managements were informed about the commencement of the survey proceedings so as to be represented. All attestation work would be done locally at the estate to avoid any outside influence being exerted on the Settlement Officers.

This interview was followed by an interview with the Chief Secretary of the Government of Assam and an interview

with the Labour Secretary, when the Branch representatives again explained the dangers in Government's policy but it was clear that Government was not prepared to abandon its proposals.

In July 1968, the Serispore Tea Estate obtained a stay order from the Assam High Court restraining Government from proceeding with the survey. Up to the time of writing the case had not come up for hearing.

SUPPLIES, TRANSPORT AND WAREHOUSING

Food Supplies : 1968.—Steel Brothers & Co., Ltd. continued to act as the Association's Agents for the procurement of foodgrains for tea gardens in West Bengal and Assam until the end of the foodgrain year on the 31st October, 1968, by which time they had delivered 1,07,509 tonnes of grain to tea estates as follows:—

	<i>Rice</i>	<i>Wheat</i>	<i>Maize</i>
Assam	11,513	53,500	1,254
West Bengal	14,652	26,590	—
	26,165	80,090	1,254

Assam.—Stocks of wheat in Assam were very low at the beginning of the year and the position was aggravated by congestion on the railways and difficulties at the Farakka transshipment point which led to the transit time being extended from 10/12 days to 20/25 days and even longer in many cases. Due to a break in the arrival of ships no supplies of wheat were available from the middle of February and the Association had to recommend the payment of cash compensation. As no wheat was available in the local markets the cash compensation was calculated on the basis of the procurement price of rice and was paid at the following rates:—

Zone 1	76 paise per kg. (equivalent to a purchasing power of Rs. 1.30 per kg.)
Zone 2 (other than Nowgong)	66 paise per kg. (equivalent to a purchasing power of Rs. 1.20 per kg.)
Zone 3 and Nowgong.	53 paise per kg. (equivalent to a purchasing power of Rs. 1.00 per kg.)

In Cachar it was proposed to offer cash compensation at the rate of 26 paise per kg. shortfall in the atta quantum in the

ration but fortunately Government were able to make supplies of atta available and it was not necessary to pay cash at any time. From about the middle of March the situation improved and during the remainder of the year allocations by the Central Government exceeded immediate requirements, permitting satisfactory reserves to be built up.

The paddy crop in Assam was rather better than in the previous year but nevertheless procurement by the Food Corporation of India and the Apex Marketing Society fell far short of requirements, and allocations by the Assam Government Supply Department which were made on a monthly basis did not at anytime permit the building up of stocks. In fact at the end of April the Government of Assam indicated that they would not be able to make any further supplies of rice available for tea estates. As stocks were expected to run out by the end of May, urgent representations were made to the Government of India for supplies. The Government of India regretted their inability to supply rice but offered the Association an additional allotment of wheat and an allocation of 1750 tonnes of maize. The offer was accepted. Joint representations by the Association and the Unions were thereupon made to the Assam Government with the result that rice was made available at the rate of 250 grams per adult in June and July, and estates issued foodgrains at the following rates:

Rice	...	...	250 grams.
Maize	...	...	500 grams.
Atta	...	...	the balance.

The Unions threatened to go on strike from the 6th August to protest against this reduction in the rice ration but the strike was averted on Government's assurance that it would supply rice at the rate of 750 grams per adult. Issues were made in in August at the following rates:—

Rice	...	...	750 grams.
Atta/Maize	...	...	250 grams.
Atta	...	...	the balance

Where estates were able to supply 1 kg. of rice, the ration was issued as follows :—

Rice	...	...	1000 grams.
Maize	...	...	500 grams.
Atta	...	...	the balance

With a reasonably good "Ahu" crop the position improved from September onwards and from October the ration issues were revised as follows:—

Rice	...	...	1000 grams.
Atta	...	...	1810 grams.
Maize	...	...	450 grams.

West Bengal.—The year began with no stocks in hand and very little rice available except from Nepal at very high prices. The constituent Associations of the Consultative Committee decided that they could not purchase rice from the open market and that they would only distribute whatever supplies they received from Government. No rice was available for issue during the week ended 3rd February, 1968, and the Association offered the labour a cash advance of 75 paise per kg., which was later increased to Rs. 1.30 per kg., being the difference between the controlled rate and the concession price. Fortunately, Government made allotments from both Orissa and Madhya Pradesh from about the end of January, 1968 and it was not therefore necessary to pay cash compensation except for one week. Stocks were built up fairly rapidly and by the end of August sufficient rice had been acquired to cover estates' requirements to the end of the year.

The wheat supply position in West Bengal followed the same pattern as in Assam.

The Committee take this opportunity to record their appreciation of the services rendered by Steel Brothers & Co., Ltd.,

who have served as the Association's procurement agents for foodgrains for over 20 years. From the 1st November, 1968, Assam Bengal Cereals Ltd., an Indian majority company formed by the Association's members, have been appointed as the Association's foodgrain agents because the Reserve Bank of India would not authorise an extension of Steel Brothers' contract beyond the 31st October, 1968.

Khet Land Produce.—(a) *Assam.*—In last year's report it was recorded that various schemes for the utilisation of paddy grown by tea estate labour on khetland had been suggested but had not been found acceptable by the Unions.

The negotiations continued during the year and in June a tentative agreement was reached between representatives of the Assam Branch and the Assam Cha Mazdoor Sangh for application to the 1968/69 Saut crop season. Briefly, the agreement provided for the grant of khet leave with wages to the khet-holder for a period not exceeding fifteen days subject to the size of the holding; and for the khetholder to sell at the procurement rate to the management his produce which was in excess of 4 maunds per bigha after assessment by a joint committee consisting of the management, the khetholder and representatives from the Union. Where a worker was allowed by the management to retain his surplus production the worker would be laid off the godown for the appropriate period but would receive compensation equivalent to the difference between the procurement rate and the godown concessional rate.

This agreement was not acceptable to all sections of the Assam Branch membership, particularly to tea estates in Zone 3 and the scheme could not be introduced as it was ratified neither by the Branch nor by the Association.

(b) *West Bengal.*—In West Bengal, Government agreed that—

- (i) in respect of paddy not subject to levy orders, managers would be allowed to utilise all the paddy

grown by themselves and to purchase any surplus paddy grown by their workers without taking licences. The quantities concerned would, however, have to be included in the returns submitted to Government.

- (ii) Steel Brothers & Co., Ltd., who would be appointed agents of the Food Corporation of India, would be allowed to purchase all paddy subject to levy orders, whether grown by the estate or the labour. The rice so purchased would not be removed from the estate but would be left on the estate for issue to the labour. Steel Brothers would pay for the paddy at procurement rates and the estates would pay Steel Brothers for the rice allotted to them at the prescribed rates.

Tea Chests.—(1) *I.S.I. Specifications.*—In last year's report it was recorded that an amendment to ISI Specification No. IS: 10: 1964 had been finalised and would be issued shortly. The amendment was published in April 1968 and not only provided for the amendments mentioned in last year's report relating to the thickness of plywood, metal fittings, etc. but also included an additional size of chest, 40 × 40 × 40 cm. The amendment was circulated to members under Circular No. 65 dated 30th April, 1968.

In January, 1968 the Association asked the Indian Standards Institution to include a new size of chest, 40 × 50 × 60 cm, in the ISI specifications because there was an increasing interest in the shipment of teas in pallets and because this size of chest was the most suitable for use with the standard pallet of 40" × 48", which had been accepted by the London Tea Trade and the Tea Association of the United States of America.

This recommendation of the Association, which was supported by the Tea Board, was approved by the Indian Standards Institution and the new size of tea chest was included in ISI

Specification No. IS:10:1964 with effect from the 23rd April 1968.

(2) *Supply of Tea Chests.*—In March 1968, some members of the Association reported that they were having difficulty in obtaining their requirements of tea chests and that, owing to the irregularity of supply, prices were tending to rise.

The Association took the matter up with the Tea Board pointing out that the shortage of tea chests was partly due to the fact that the Government of Assam had reduced the timber quotas of a number of plywood manufacturers on the ground that the availability of timber was falling and partly due to the diversion of timber to the manufacture of commercial plywood, which manufacturers found more profitable and for which there was considerable demand overseas. It was suggested that the Board should ask the Government of Assam to ensure that adequate supplies of timber were made available to manufacturers of plywood tea chests and to exercise control to ensure that such timber was not diverted to the manufacture of commercial plywood.

When it was learnt that the Federation of the Plywood Industry had applied to the Government of India for assistance by way of subsidy and other facilities to enable the Industry to achieve a higher export target, the Association drew the attention of the Federation of Indian Export Organisations to the difficulties being experienced by members in obtaining supplies of tea chests and suggested that the Government of India should be requested to bear in mind the interests of the Tea Industry when considering the incentives and assistance to be offered to the plywood industry to expand its exports. The Plywood Federation in due course advised that its request for assistance was designed to secure the expansion of the export of commercial plywood, of which there was surplus production, and that there was no intention of depriving the tea industry of its needs; in fact several factories had large

unsold stocks of tea chests which were readily available to the tea industry. The difficulties reported by tea estates, it was suggested, had arisen from estates having placed their orders with intermediaries instead of direct with the approved manufacturers.

(3) *Tissue paper for tea chest battens.*—The Association requested the Tea Board to support a representation made by the Calcutta Tea Chest Fittings Manufacturers' Association to the Commerce Minister for the grant of an import licence for acid-free tissue paper for tea chest battens.

The Tea (Distribution and Export) Control (Amendment) Order, 1967.—The Ministry of Commerce, Government of India, by a Notification issued in March 1967 amended Clause 10 of the Tea (Distribution and Export) Control Order, 1957, according to which all plywood shooks, battens and other fittings, excluding nails, used in a container of tea in bulk packed for export would have to conform to the specifications laid down by the Indian Standards Institution and would have to bear an I.S.I. certification mark. The Tea Board, however, clarified that although the notification came into effect on its publication in the official Gazette in March 1967, it might be some time before the tea industry was able to obtain ISI-marked battens and metal fittings. Furthermore many estates might have already placed orders for their requirements for chests for 1967/68 season.

During the year under review, a meeting was held in the office of the Tea Board, and was attended by Mr. J. Bain on behalf of the Consultative Committee, in connection with the implementation of the amended Clause 10 of the Order. There were a number of practical difficulties which prevented the immediate enforcement of the relevant clause of the Order. For example, the batten manufacturers had shown little interest in joining the Certification Mark Scheme and tin plate waste

waste of the approved thickness was not available in India in sufficient quantity to meet requirements. The Association understands that it was finally agreed that the Board would aim, subject to the approval of the full Board, at enforcing the amended Rule 10 with effect from 1st July, 1969.

Coal Supplies.— The coal requirements of member estates in North Bengal, Cachar and the Assam Valley for season 1968 were as follows :—

	<i>Tonnes</i>
North Bengal (Dooars, Darjeeling and Terai)	88,854
Assam Valley 	35,357
Cachar 	12,000

North Bengal Estates.—As most estates in North Bengal had received their coal requirements for season 1967 in full by the end of November 1967, movement on account of season 1968 commenced from December, 1968.

As in the previous year coal for North Bengal estates was transported by the all-India route via Farakka.

J. S. Desai & Co. continued to handle the coal requirements of estates in Darjeeling and also to inspect coal consignments at the transshipment point at New Jalpaiguri and to report on the quality. There were no serious complaints in 1968.

The movement of coal to North Bengal estates was greatly hampered towards the end of year by breaches of the railway lines east of New Jalpaiguri caused by the heavy floods in October. Coupled with this was the railway's disinclination to give high priority to the transshipment of coal from the B.G. to the M. G. line at New Jalpaiguri. As a result the Association was unable to arrange despatches of coal by rail to tea estates in the Dooars during the months of October, November and December.

The Darjeeling Branch, however, kindly allowed the Dooars Branch to borrow some coal from its dumps at New Jalpaiguri, and this dump was used for feeding coal by lorry to estates in the Western Dooars.

Although coal movement to stations east of New Jalpaiguri in respect of season 1969 has now commenced, the heavy backlog of coal movement a/c. 1968 has yet to be made good. The Association is making every effort to obtain priority for coal movement to tea estates in the Dooars, but it seems unlikely that the Railways will be able to move the coal at the required pace to enable the estates to replenish their stocks adequately during the coming months. The desirability of building up stocks of coal in the cold-weather months, in addition to the estates normal requirements for the ensuing months until the commencement of the rains, cannot be over-emphasised in view of the possibility of breakdowns in communications in the rains. The Association has, therefore, recommended to members with interests in the Dooars that they should make arrangements to obtain coal from the A.R. & T. collieries to the extent of at least two months' requirements.

Assam Valley.—Coal supplies in the Assam Valley continued to be made by rail from the collieries in Assam direct to estates. No Bengal coal was allotted to the Branch in 1968.

As mentioned in last year's report, Steel Brothers & Co., Ltd.'s appointment as the Assam Branch's coal agent was terminated and tea estates made their own arrangements for their requirements of Khasi coal.

Cachar.—Cachar estates requirements, which were met from the Assam Collieries and Khasi mines, continued to be handled by Crozier's Agency Private Ltd. A quantity of 1,500 tonnes of Bengal coal was allotted to estates in Cachar for season 1968.

Iron and Steel.— As in the previous year all categories of steel remained decontrolled, and distribution and pricing continued to be handled by the Joint Plant Committee.

The supply position of iron and steel materials continued to be acute and there were still large outstanding orders with the producers against allotments made in earlier periods.

Cement.— With the control on the distribution of cement being enforced again from the 1st January, 1968, all cement allocations were handled by the Cement Corporation of India and release orders were issued on the basis of applications submitted through the Tea Board.

As in the previous year, tea estates were allotted their full requirements of cement during 1968. The requirements of the Association were as follows :

	<i>Demand</i> <i>Tonnes</i>	<i>Allotment</i> <i>Tonnes</i>
Period I	6882.90	6882.90
Period II	3839.93	3839.93
Period III	5419.00	5419.00
Period IV	2308.00	2308.00

As tea estates were able to obtain their requirements which were less than a wagon load from local stockists, no "clubbed" consignments were despatched during the year.

Fertilisers.— The Tea Board's estimate of the annual requirements of Sulphate of Ammonia of tea estates in North East India for the year 1968/69 was 1,25,000 tonnes, which was divided as follows :—

75,000 tonnes	...	Pool
50,000 tonnes	...	Free Sale Quota

The first instalment of 25,000 tonnes of Sulphate of Ammonia against the pool quota was released on the 1st July, 1968, and was allocated as follows :—

15,000 tonnes	...	ex Sindri
10,000 tonnes	...	ex Regional Director of Food, Calcutta

At the Annual Fertiliser Meeting held on the 17th October, 1968, it was reported that against this allotment despatching instructions had only been received for 12,000 tonnes ex Sindri and 9000 tonnes ex RDF and that actual despatches amounted to 4156 tonnes ex Sindri and 896 tonnes ex RDF.

The balance allotment of 50,000 tonnes against the pool quota was released in October and was allocated as follows :

43850 tonnes	ex RDF
1500 ..	ex Tata
1350 ..	ex Hindustan Steel. Durgapur
1000 ..	ex IISCO

Towards the end of November 1968, the Tea Board reminded tea estates to place their orders for sulphate of ammonia against this allotment at an early date, as the Government of India, who were under pressure from the State governments, might otherwise divert the supplies to other agricultural users.

The free sale quota of 50,000 tonnes was distributed as follows :

20,000 tonnes for direct sale by the Food Corporation of India to individual tea estates.

30,000 tonnes to the Tea Board for supply to the tea industry through the distributors.

The supply position of fertilisers has been very satisfactory and it is anticipated that most of the supplies should reach estates by the end of March 1969.

With effect from the 18th April, 1968, the price of fertilisers was increased by Rs. 10/- per tonne and the new rates were fixed as follows :—

	Pool prices	Retail prices for supplies through distributors.
	(Per tonne)	
Sulphate of Ammonia		
(a) 100 kg bags	Rs. 472	Rs. 500
(b) 50 kg bags	Rs. 483	Rs. 513
Urea	Rs. 820	Rs. 860

The Consultative Committee of Plantation Associations lodged a strong protest against this increase pointing out that the price of sulphate of ammonia had been twice increased in 1967 and that the second increase of Rs. 77/- per tonne had cost the industry an additional Rs. 1.2 crores approximately. There had been a considerable fall in the international price of fertilisers and Government's decision to increase prices had therefore come as a shock to the industry. It was recommended that the matter should be reconsidered and the pool price be reduced. Government, however, regretted its inability to accede to the Industry's request. Some 20% of the industry's requirements for 1967/68 had been supplied after the 1st April, 1968, and had been affected by the increase.

At the Annual Fertiliser Meeting held in October it was reported that the cost of sulphate of ammonia from the free sale quota would be higher than the cost of supplies from the pool quota because

- (a) Central Sales Tax would be attracted, and

- (b) the buyer would have to pay freight which was in excess of Rs. 40 per tonne.

The Association addressed a representation to the Government of India urging that steps should be taken to ensure that the prices of fertilisers from the free sale quota and the pool quota remained equal. Government's reactions are still awaited.

In a letter dated the 30th October, 1968, the Government of India announced the introduction of a new price structure for sulphate of ammonia supplied to tea estates in packings of various sizes. Under this arrangement, which was to be given retrospective effect, it was proposed that bags containing 50 kg to 75 kg should be charged at the rate applicable for 50 kg bags and that bags containing more than 75 kg should be charged at the rate applicable for 100 kg bags. This meant that the additional charge of Rs. 11/- per kg levied on bags of 50 kg or less would now have to be paid in respect of bags of 75 kg and less. This imposition was strongly opposed by the Association who requested the Tea Board to make a representation to Government that—

- (a) supplies of sulphate of ammonia in tea estates should be made available in bags of 100 kg;
- (b) the proposal to levy the additional charge of Rs. 11 on supplies in bags of 75 kg or less should be withdrawn ; and
- (c) that in the event that the proposal could not be withdrawn, it should not be applied retrospectively.

The Association also asked the Tea Board to support a representation made by the Distributors to the Government of India that only ready-bagged imported sulphate of ammonia should be supplied to tea estates and that if bulk fertilisers had

to be supplied arrangements should be made to ensure that the bags were of standard weight and that the individual wagons were weighed by the railways at the time of despatch.

Following the floods and landslides in Darjeeling the Association requested the Tea Board to consider reimbursing tea estates in that area to the full extent of the cost of transporting fertilisers by road from Siliguri to destination. The Association's proposal has been referred to Government by the Board.

Electricity Supply in Assam:—(1) *Assam State Electricity Consultative Council.*—The Assam State Electricity Consultative Council was reconstituted from the 1st June 1968 for a period of three years. The Association is represented on the Council by the Shillong Adviser.

(2) *Electrification of tea estates.*—In last year's report it was recorded that the Assam State Electricity Board had drawn up a new scheme for the electrification of tea estates which would cover Darrang, Lakhimpur, Sibsagar and Cachar and that the scheme was being examined by the Technical Sub-Committees of the Assam Branch and the Association.

The Sub-Committees after studying the scheme considered that it was impracticable because it required all the selected estates to accept grid supply. Furthermore, very large advances were required to be made and it was clear that the intention was that tea estates in Upper Assam, which were included in Phase I, would have to finance the Scheme in Phase II, which covered estates on the North Bank.

Although the original proposal to take the combined horsepower of the factory prime-movers as the basis of assessment for calculating the revenue guarantee and advance payment had

been modified, the revised suggestion of making assessments on the basis of the largest prime-movers would also lead to anomalies and inequities. The Sub-Committees therefore felt that assessment should be based on the connected load and not on the entire factory load. The Sub-Committee also considered that the tariff rates should be reduced to the level of the West Bengal rates.

Before these objections to the scheme could be forwarded to the Assam State Electricity Board, the Board announced that the scheme was being withdrawn with effect from the 28th February 1968 and that a new scheme was being introduced, the provisions of which were briefly as follows:—

- (i) The Board would meet the entire cost of the transmission lines, including lines, if any, within estate boundaries to be drawn for irrigation purposes and for the factory.
- (ii) A rental of 1.25% per month (15% per annum) on the capital outlay by the Board would be charged.
- (iii) Tea estates would be required to deposit a revenue advance equivalent to one year's estimated consumption of power based on the installed horse-power of the establishment. The advance would be adjusted against future power bills of the estate.
- (iv) With effect from the 1st May, 1968 the tariff would be a flat rate of 18 paise per KWH which would be frozen for 3 years. For estates joining the scheme before the 31st March, 1969, the tariff of 18 paise would remain fixed until the 31st March, 1972. The tariff for power pumps for food crops or tea would be charged at a flat rate of 14 paise per KWH provided that the power was separately metered.

This scheme was considered to be a considerable improvement over the earlier schemes. Unfortunately, however, tea

estates continued to be tardy over accepting power from the grid for various reasons and the Assam State Electricity Board announced that the Scheme would be withdrawn with effect from 15th September, 1968. Subsequently the last date was extended to the 30th November, 1968 as the Board had been able to negotiate a loan from the Life Insurance Corporation.

• At the time of writing it is not known whether any further extension of the scheme has been granted.

Electricity Supply in West Bengal.— (1) *West Bengal State Electricity Consultative Council.*—Sir Richard Duckworth, Bt., continued to represent the Association on the West Bengal State Electricity Consultative Council.

Six meetings of the Council were held during the year. During these meetings the progress of the Jaldhaka Hydro-electric Project was reviewed.

As a result of the floods and landslides which occurred in early October, the Jaldhaka Hydel Station and the 66KV transmission lines suffered considerable damage. Owing to the accumulation of silt the Station had to be closed down in November. One unit was recommissioned in early December and the other in early January, 1969.

The Little Rangit Scheme suffered considerable damage as a result of the floods and it is estimated that it will take not less than a year to put it into commission. The first machine in this power-house had been put into operation for testing only about three weeks before the floods took place.

The Bijanbari Power-house fortunately escaped damage although considerable portions of the intake flume line and the flume path of the Hydel Station were washed away. The power-house was recommissioned by the end of the year.

(2) *Compensation to tea estates for damage caused by transmission lines of the Jaldhaka Project.*—In May, 1968, the Association received information through its representative on the West Bengal State Electricity Consultative Council that the State Electricity Board were prepared to pay compensation to tea estates for damage caused to tea-bearing land by the transmission lines of the Jaldhaka Project at the following rates, which had been prescribed on the basis of the prevailing practices adopted by the Railways and the Indian Oil Corporation in the Darjeeling District:—

- | | |
|--|--|
| (i) Cost of land | ... Rs. 600.00 per acre |
| (ii) Cost of tea bushes
(including shade trees) | ... Rs. 4150.00 per acre |
| (iii) If the land and tea
bushes as under (i)
and (ii) appertain
to the Dooars area | ... 10% of items (i)
and (ii) above. |
| (iv) Additional compensation | ... 15% of items (i), (ii)
and (iii). |

The Board advised that it would not be able to make payment in respect of land not under tea taken over by it because the State Government had decided to take over such surplus non-arable land from tea estates as khas land and the matter was linked with the West Bengal Estates Acquisition Act. As the compensation to be paid in respect of such land had not been decided, the settlement of claims in this regard would be delayed.

This information was conveyed to members in Circular Letter No. 71 dated 22nd May, 1968.

It is understood, however, that although claims have been submitted on the above basis no payments have been received by members.

Jamair & Co. Private Ltd.—As in previous years, Jamair & Co. Private Ltd. were retained to provide services between Calcutta and the Dooars; and estates in the Dooars agreed to ship 2% of their crops as backloads by that Company.

Railway Users' Consultative Committees.—The Association was represented on the following Users' Consultative Committees of the N. F. Railway:

- (a) Zonal Railway Users' Consultative Committee by the Shillong Adviser.
- (b) Western Regional Railway Users' Consultative Committee by the Secretaries of the Dooars and Darjeeling Branches, and by the Secretary, Assam Branch Zone 3.
- (c) Eastern Regional Railway Users' Consultative Committee by the Secretary, Assam Branch, and a representative of the Surma Valley Branch.

Water damage to Tea Chests.—In January, 1968, the Association received a memorandum from the Tea Association of the United States of America on the subject of water-damaged tea. It appeared from the memorandum that American buyers were concerned at the extent of water damage to teas and that their enquiries had revealed that North Indian teas were the most affected.

The memorandum was circulated to all members for their comments and in due course a representation was made to the N. F. Railway suggesting that orders should be given to Station Masters in the tea districts to provide only watertight wagons for the carriage of tea and that arrangements at transhipment points should be improved so that transhipment was smoother and faster. It was also stressed that there should be an improvement in the supervision of labour at all handling points.

The N. F. Railway in due course replied to the effect that Station Masters had been given strict instructions to ensure that only watertight wagons were provided for tea and that the following additional steps had been taken to prevent teas from getting water-damaged:—

- (i) Use of tarred gunny strips in the door crevices and provision of bamboo dunnage on the floors of wagons holding tea consignments.
- (ii) Deployment of special supervisors at the transhipment points.
- (iii) Sustained education of staff and labourers for careful handling.

Furthermore, to reduce the incidence of water damage which occurred in the port area, arrangements had been made to deliver teas through railway stations outside the port area by lorry to consignees' warehouses.

Tea arrivals at the Port of Calcutta.— The Traffic Manager of the Calcutta Port Commissioners convened a meeting of the Joint Tea Warehouse Advisory and Tea Liaison Committee on the 25th April, 1968, to discuss the arrangements for the reception and warehousing of teas in the Port area during the 1968 season. This meeting was attended by the Chairman of the Calcutta Port, Supplies and Transport Sub-Committee, Mr. A. Mukherji, accompanied by Mr. M. J. Chaytor, Mr. S. Bhattacharya and Mr. D. Sabikhi.

The representative of the Public Warehouses indicated that the Public Warehouses would be able to handle arrivals at the rate of 100 wagons and 70 lorries a day except in September when it was suggested that arrivals by rail should be restricted to 75 wagons a day. The Traffic Manager was unable to accept the Trade's suggestion that additional unloading points should

be allocated for road arrivals and insisted that, as before, Libyan Warehouse should be used for teas coming by lorry. Hide Road and Sale Tea Warehouses were allocated for rail arrivals and Kantapukur Sheds for U.K. direct shipment teas.

The Traffic Manager recommended that the Tea Trade should ensure that adequate warehousing space was available because he anticipated that owing to the river training programme there would be a severe cut in the draft of the river during both the spring and neap tides during the 1968 season with the result that there would be severe restrictions on the movement of ships which might lead to congestion in the warehouses. A greater bunching of ships could also be expected.

The restriction on rail bookings into the Decks was enforced from the 1st August, 1968, and was withdrawn on the 19th September, 1968.

Warehousing.— Warehousing capacity in use by the public warehouses as at the end of 1968 was as follows :—

<i>Capacity for</i>	
Sale Tea Warehouse	2.40 lakh chests
Hide Road Warehouse	1.49 „ „
Kantapukur Sheds	0.60 „ „
Libyan Warehouse	2.60 „ „
	<hr/>
	7.09 lakh chests

The Study Group which had been set up by the Tea Board in March 1967 to examine the whole question relating to the control and management of public tea warehouses, warehousing charges, etc. including the Libyan Warehouse, submitted its report to the Tea Board during the year. The main recommendation of the Study Group was that private warehouses should be allowed to exist freely without any restrictions. This recommendation was accepted by the Tea Board, which advised

the Calcutta Tea Traders Association in September, 1968, that it had no objection to the withdrawal of restrictions on private warehousing.

In November the Calcutta Tea Traders Association addressed the Consultative Committee of Plantation Associations asking for the views of the producers on whether, with the liberalisation of private warehousing, it would be necessary to retain the services of the public warehousmen; and if so, what throughput the public warehousemen could expect and what guarantee could be given to them that this throughput would be achieved.

This matter is receiving the consideration of the Producer Associations.

The Association was represented on the Joint Tea Warehouse Advisory and Tea Liaison Committees of the Calcutta Port Commissioners by Mr. A. Mukherji, Mr. D. Sabikhi, Mr. K. M. Kidwai and Mr. S. Bhattacharyya.

The Association was represented on the Tea Handling Committee for Warehouses of the Port Commissioners by Mr. P. G. Sandys-Lumsdaine with Mr. P. K. Kaul as his alternate.

Port Commissioners' Charges.—In last year's report it was recorded that the Government of India had set up a One-Man Committee consisting of Mr. P. C. Bhattacharyya to enquire into the financial position of the Commissioners for the Port of Calcutta and that the Association had submitted a memorandum to the Committee expressing its strong disapproval of any proposals to increase the income of the Port Commissioners by increasing Port charges on export commodities and suggesting that the cost of maintaining the River Hooghly should be taken over by the Government of India.

Representatives of the Association met the Committee at Calcutta in February 1968 when the opportunity was taken to

raise again the question of river dues charged on tea exports. It was also stressed that strict cost-control and avoidance of unproductive expenditure would have a significant impact on the Port Commissioners' budget. As a means of increasing revenue it was suggested that the Port Commissioners should improve their facilities for the handling of palletised cargo.

Towards the end of the year it was noted from Press reports that the One-Man Committee had suggested that there should be no increases in Port charges and that to meet the present deficit of the Port, the Government of India should meet 80% of the total cost of river dredging and river maintenance including debt charges.

Major Ports Commission. --By a notification dated the 14th February, 1968, the Government of India constituted an eight-member Commission on Major Ports, under the Chairmanship of Mr. R. Venkataraman, to study the various facets of the working of the major ports in the country.

The Commission visited Calcutta and met representatives of the Tea Board, the Industry and the Trade on the 16th November, 1968.

The Commission's attention was drawn to the very high charges being levied at Calcutta Port; to the congestion which often delayed shipments; to the lack of coordination between the Customs and Port Commissioners which prevented the expeditious movement of teas through the Port; to the need for the introduction of mechanical handling to deal with palletised cargo; and to the unsatisfactory security arrangements.

The Commission, on the other hand, were interested in why warehousing space in the port was not used in preference to warehouses outside the port; why teas could not be brought directly to the quayside by lorry for loading instead of being taken to the shipment sheds; why shipments could not be co

ordinated through a kind of consortium so that all the teas exported were shipped in about 8 ships over the year; and why contractors' labour was preferred. Satisfactory explanations were given to these enquiries.

Steamer Services to the U.K.—(1) *Tea Liaison Sub-Committee.*—The Tea Liaison Sub-Committee, which was set up by the Calcutta Liners Conference to keep the freight position for the shipment of tea to the U.K. under review, continued to hold regular meetings during the year and to examine difficulties relating to shipping space reported by members. The Association was represented on this Committee by Mr. A. Mukherji and Mr. D. Sabikhi.

(2) *"Shut out" of teas.*—During the year a few instances occurred of teas being shut out by the Shipping Lines and this problem was taken up at meetings of the Tea Liaison Sub-Committee by the representatives of the Association and of the Calcutta Tea Traders Association.

The Shipping Lines explained how the problem arose and it is satisfactory to record that the meetings finally resulted in a mutual understanding of the difficulties of the shippers and the Lines.

(3) *Due Date System.*—The inconvenience experienced by shippers in despatching their teas to the U.K. as a result of the bunching of ships in the Port at the end of each month was taken up with the Tea Liaison Sub-Committee of the Calcutta Liners Conference. The Liners Conference explained that this bunching could not be avoided because vessels had to be berthed at the end of the month to meet the needs of the gunny trade.

As it was understood that it was no longer essential to the gunny trade that vessels should be confined to the end of the month and as it appeared that the needs of the gunny trade could

be met by a system of nominated vessels, the Calcutta Tea Traders Association in identical letters to the Indian Jute Mills Association and the Calcutta Jute Fabrics Shippers Association suggested that steps should be taken to modify the current due date system to facilitate the introduction of a more rational scheme for berthing vessels in the Port. The Association strongly supported this suggestion and it is understood that the matter is now receiving the joint consideration of the Indian Jute Mills Association and the Calcutta Jute Fabrics Shippers Association.

Check-weighment of Consignment Teas.— In July the Collector of Customs, Calcutta, issued an order introducing a new system which provided for the check-weighment of estate teas shipped on a consignment basis. The check-weighment required the examination of 1% or a maximum of 10 chests in each consignment.

This system considerably inconvenienced members as it involved them in additional expenditure and slowed down the movement of teas from the shipment sheds to the ship, causing congestion and confusion.

The attention of the Customs authorities was drawn to shippers' difficulties but they were unable to agree to the withdrawal of the system although remedial action to prevent harassment was promised. To speed up the movement of teas it was recommended that the cargoes should always be moved to the shipment sheds along with the Shipping Bills and that all difficulties should be referred immediately to the Assistant Collector (Docks).

Shipment of Tea via Kandla.— In last year's report it was recorded that arrangements had been made for a trial shipment of tea via Kandla Port and that the experiment had had to be abandoned owing to the uncertainty of the international situation and particularly the closure of the Suez Canal.

During the past year the proposal was again revived and it was decided that a trial shipment of 14000 chests should be made in the second half of September. Arrangements for this shipment were finalised by the end of August. The Karmahom Conference agreed to provide a ship on or around the 30th September, 1968 and tea estates participating in the experiment were asked to arrange for their teas to reach Kandla by the 24th September, 1968. The railways had arranged for the teas to be moved by two special trains from Assam and the Dooars.

Unfortunately, just as all these arrangements had been completed, the news of an All-India Dock strike to commence from the 24th September, 1968 was received. Members were naturally unwilling to commit themselves to the despatch of teas to Kandla in such uncertain circumstances and once again the experimental shipment had to be abandoned.

It is hoped that it will be possible to carry out the experiment in 1969.

Palletisation.— In last year's report it was recorded that two Committees, one under the Chairmanship of the Tea Board and the other under the Chairmanship of the Traffic Manager, Calcutta Port Commissioners, were examining the problems likely to arise from the shipment of tea as palletised cargo.

During the year an experimental loading of pallets into a railway wagon was arranged. The Eastern Railway placed two wagons at Kalighat Station, one of which was reduced to the size of an MG wagon by marking the area with chalk. Fork lift trucks, hand pallet trucks, both powered and non-powered, were provided by a manufacturer for the experiment. The only equipment which was found to handle the pallets efficiently was the fork lift trucks but unfortunately these could not be used to load pallets inside the wagon. Powered pallet trucks were found inefficient because this equipment requires the surface of the platform to be smooth and there should be no incline be-

tween the wagon floor and the platform. It was clear from the experiment that loading of pallets in wagons at the estate would not be possible for some time to come and that modifications would be necessary not only in the handling equipment but also in the design of the wagons, especially the doors, and the railway platforms.

A trial shipment of tea in pallets was arranged in the middle of November 1968 and some 18,835 chests were shipped by the s.s. Somali in 1247 pallets. The shipment consisted of both 12-chest and 20-chest pallets.

The 12-chest pallets were of conventional 4 chests \times 3 tiers type and the chests were of 24" \times 20" \times 20" and 24" \times 19" \times 19" size. The 20-chest pallets consisted of chests of size 24" \times 20" \times 16". In both cases, pallets of size 40" \times 48" were used. A report by the Port Commissioners on the trial shipment is under study and members who took part in the trial have been asked to submit reports embodying their individual experiences with special reference to economics, if any, arising from palletisation of tea chests.

From reports received from the Tea Association of the United States of America Inc., it appeared that American buyers favoured the use of the 40" \times 48" pallets with 16" \times 20" \times 24" chests stacked four tiers high. The Tea Trade Committee of the United Kingdom also accepted the 40" \times 48" pallet and recommended its use with the following sizes of tea chests:

24" \times 20" \times 16" (60 \times 50 \times 40 cm).

24" \times 16" \times 16" (60 \times 40 \times 40 cm),

The Indian Standards Institution has included the 40 \times 50 \times 60 cm chest in its list of approved sizes and it is now considering the Association's suggestion that the size 40 \times 40 \times 60 cm should also be specified as an approved size. As it is anticipated that ultimately all teas will be shipped as palletised cargo,

it is possible that tea chests will for reasons of economy have to be limited to these two sizes.

Setting up of District P & T Committees.— Until some three years ago, District P & T Committees, which included representatives of Industry, Tea and Oil etc. used to meet periodically to discuss and settle local complaints on the spot in Assam and in this they performed a useful function. The Committees were however abolished under orders from the P & T Board, New Delhi, as being "unnecessary".

During the year the Association made a representation to the Director General, P. & T. Department, New Delhi, suggesting that these Committees should be reconstituted to enable local complaints to be dealt with expeditiously. The subject was also put forward for consideration at the meeting of the Central Posts & Telegraphs Advisory Council held in November. No further developments have taken place, however, in this connection.

Supply of Tyres and Tubes.— During the year considerable difficulties were experienced by tea estates in obtaining supplies of tyres and tubes for motor vehicles tractors and trailers. The Association therefore collected information from members of their requirements of tyres and tubes and submitted a consolidated list to the Tea Board who were asked to use their good offices to secure the release of adequate supplies to meet the needs of the industry. Direct approaches were also made to the major tyre manufacturers and while some supplies were arranged by them for distribution in the tea districts, the position continues to be acute in spite of the Government of India declaring tyres and tubes for motor vehicles and tractors to be essential commodities under the Essential Commodities Act, 1955.

North Bengal Flood Control Advisory Committee.—The Association is represented on the North Bengal Flood Control Advisory Committee by Mr. G. F. Gay of the Central Doars

(Rangamati) Tea Estate. No meetings of the Committee were held during the year.

Floods in North Bengal.— Torrential rain and heavy floods in North Bengal during the first week of October, 1968, took a severe toll of life and property, and caused particularly widespread damage to tea estates in the Darjeeling Hills. The floods also resulted in the disruption of rail, road and telephone communications, and thus gave rise to difficulties in the supply of food, fuel and other requirements of the tea estates. The Dooars Branch of the Association organised relief work in the Mainaguri area, where an aid post was established by the Branch. The Association, in collaboration with the Bengal Chamber, arranged for the collection and despatch of emergency supplies like medicines, vaccines, bleaching powder, clothing, etc. to North Bengal.

A detailed statement of the damage sustained by the Darjeeling tea estates as a result of the floods and landslides was submitted by the Association to the Government of India. In December, a delegation representing the Darjeeling Tea Industry met the Additional Secretary, Ministry of Commerce, Government of India, and officials of the Tea Board to discuss possible measures for the relief of estates in the Darjeeling Hills. A memorandum was submitted at this meeting giving the following particulars of the losses incurred :

- | | |
|--|---|
| (a) Total area under tea damaged | 3,255 acres |
| | (Equivalent to the loss
of 7 average size tea
estates). |
| (b) Total area under tea damaged
as a percentage of the total
area under tea | 8.54% |

(c) Other land (not under tea)
damaged :—

(i) Land suitable for tea	1,737 acres
(ii) Land under thatch and forests	2,554 acres
(iii) Land suitable for grazing	676 acres

(d) Estimated replacement cost of plant and machinery damaged Rs. 15 lakhs

(e) Estimated value of damage caused to buildings of all descriptions, including labour houses Rs. 47.8 lakhs

(f) Estimated value of damage caused to roads and bridges .. Rs. 34 lakhs

(g) Estimated loss of made tea will be approximately 700,000 kgs, which is equivalent to Rs. 70 lakhs, which represents a loss of Rs. 56 lakhs of foreign exchange (80% of Darjeeling teas being exported)

The relief measures sought in the memorandum included the total abolition of excise duty for varying periods in respect of all estates with relation to the loss of tea-bearing land, the supply of sulphate of ammonia and other fertilisers at a subsidised rate, the grant of not less than 25% of the replacement cost of buildings of all descriptions, total exemption for five years from Central sales tax on all items utilised in the manufacture of tea or purposes ancillary thereto, etc. . A copy of the memorandum submitted by the Association is reproduced as an appendix to this report.

CUSTOMS AND EXCISE

Export Duty.— (a) *Rate of Duty.*—In last year's report it was recorded that the Consultative Committee of Plantation Associations had made a representation to the Government of India suggesting that the rates of export duty should be reduced by 17% in each slab, to give a scale ranging from 3% to 5½% *ad valorem*.

On the 7th February, 1968, the Government of India announced the introduction of a uniform *ad valorem* rate of export duty to replace the previous three rates of duty which had been in force since May, 1967. The new rate of duty was fixed as 20% *ad valorem* reduced by 24 paise per kg. or Rs. 2.76 per kg. whichever was less.

The Consultative Committee of Plantation Associations issued a Press Note welcoming Government's decision to introduce a uniform *ad valorem* rate of export duty but pointing out that this modification would have only a marginal effect as only a very small percentage of teas exported exceeded Rs. 8.00 per kg. in value. It was stressed that the Industry was by no means satisfied with the measures taken by Government and it was urged that the rate of duty should be reduced by 17% to 3% *ad valorem* less 24 paise per kg. to ensure that Indian teas retained the competitive position they held prior to the devaluation of the £ Sterling.

It was a considerable disappointment therefore to the Industry that the Government of India's budget proposals for 1968 did not include any provision for a reduction in the export duty. Once again the Consultative Committee of Plantation Associations voiced the Industry's disappointment to the Government of India and expressed apprehension that India's tea export prospects would be jeopardised if urgent action was

not taken to reduce the export duty. A detailed representation was also submitted by the Chairman to the Chairman of the Tea Board explaining the Industry's case.

At a meeting of the Tea Board held on the 28th March, 1968, the Board unanimously recommended that the export duty should be abolished.

On the 6th April, 1968, a memorandum was submitted by the Consultative Committee to the Commerce Minister, who was in Calcutta at the time, urging the immediate abolition of the export duty to prevent the Industry from suffering a recession as it did in 1966. A copy of the memorandum is reproduced in the appendices to this report.

This was followed by a visit to the Commerce Minister in Delhi on the 17th April by a delegation from the Consultative Committee, consisting of Mr. C. J. N. Will, Chairman, Mr. P. K. Kanoria, President of the Tea Association of India and Mr. P. J. Parr, Senior Adviser, Indian Tea Association. At this meeting the Minister indicated that Government was not convinced of the merit of the Industry's case for a reduction in the export duty as it was felt that such a reduction would only result in a fall in the unit value of tea.

A fresh memorandum fully supported by graphs was therefore prepared and submitted to the Commerce Minister on the 14th May, 1968. The graphs demonstrated *inter alia* that cost and price had no relationship and also illustrated instances where, despite a drop in cost, *e.g.* through a reduction in the rate of export duty a better price had been realised, and *vice versa*. The memorandum pointed out that the indications were that severe losses would be incurred on exports in the current season and that a diversion of exportable teas to the domestic market could be expected. If Government abolished the export duty and agreed to the remission of excise duty on exports,

the producer exporters would be able to sell their teas at prices above the landed cost.

A copy of this memorandum was also sent to the Special Secretary, Ministry of Finance, Government of India, on whom the Chairman and Mr. B. L. Newar of the Tea Association of India called on the 5th June, 1968.

The Government of India remained reluctant to accept the Industry's case and it was not until the 1st October that Government, in announcing various measures of relief to the Tea Industry, reduced the export duty on tea by increasing the rebate of 24 paise per kg. to 35 paise per kg. The effective rate of export duty was therefore fixed at 20 per cent *ad valorem* reduced by 35 paise, or Rs. 2.56 per kg. whichever was less.

(b) *Assessment of Export Duty on Teas shipped on 'consignment basis.*—In last year's report details were given of the agreement reached with the Collector of Customs in connection with the procedure to be followed in determining the value of teas exported on a consignment basis for the purposes of the final assessment of export duty on such teas.

It appeared that the provisional assessment of export duty on all teas exported during the seasons 1967/68 had been calculated on the basis of the average prices realised upto the 15th November, 1966 and not in the manner agreed upon in May 1967, i.e. on the basis of the average prices realised upto the 15th November, 1966 for shipments upto the 15th September, 1967 and on the average prices realised after the 15th November, 1966 for shipments effected after the 15th September, 1967. As a result, tea companies had been provisionally assessed for export duty in respect of their post-15th September, 1967, shipments at a far higher rate than was necessary and in many cases refunds would be due.

The matter was taken up in June, 1968 with the Collector of Customs who agreed to give preference to the settlement of claims relating to the post-15th September, 1967 shipments. The Collector also agreed that for those teas shipped on a consignment basis prior to the devaluation of the £ Sterling and provisionally assessed at Rs. 21.00 to the £, but which were sold after devaluation, the valuation of the teas for final assessment of export duty would be made on the basis of the exchange rate of Rs. 18.00 to the £.

The ready reckoners issued by the Collector of Customs for the finalisation of assessments for the period 11th November, 1966 to 18th November, 1967 were issued to members under Circular No. 90 of the 15th June, 1968. The disposal of applications for final assessment of export duty on consignment teas has proceeded very slowly and at the end of the year tea companies had considerable sums due to them by way of refunds.

For shipments during the 1968/69 season the Collector of Customs agreed that the provisional assessment of export duty on consignment teas should be made on the basis of the combined average of the prices realised in the London Auctions during the 1966/67 season and the 1967/68 season in all sales held—

- (a) upto the 15th November in respect of shipments upto the 15th September, 1968, and
- (b) from the 16th November to the end of the season for subsequent shipments.

In view of the delays which had taken place in completing the final assessments in respect of 1967/68 and in view of the large sums, estimated at between one and two crores of rupees, due to tea companies, the Association suggested to the Government of India, Ministry of Finance that—

- (a) the speedy disposal of all pending applications for final assessment of export duty should be arranged

by increasing substantially the number of assessing staff, combined with a determined drive to clear all the accumulations by a target date in the near future, and

- (b) an amendment should be made in the system of provisional assessment followed by final assessment of duty. The following alternatives were suggested in this regard:

- (i) The payment of provisional duty should be done away with, and tea companies allowed to export consignment teas under bonds, which would be discharged by payment of the duty after receipt of the Account Sales. This might be allowed under Section 143 of the Customs Act, 1962, or, if this section had no application to exports of consignment teas, by a suitable amendment of the Act, if necessary.

Or

- (ii) The amount of provisional duty payable should be calculated in the exporter's favour, i.e. at a rate which would certainly be rather less than the amount of duty likely to be payable finally—this in the knowledge that the full amount of duty chargeable would be realised as soon as the Account Sales were to hand. This arrangement would to some extent also compensate the exporters for the substantial amount of interest which they had already lost through the tying-up of large sums of money with the Customs authorities.

No reply had been received to these proposals up to the time of writing.

Central Excise : Regional Advisory Committees. (1) *West*

Bengal.—The Association was represented on the Regional Advisory Committee of the West Bengal Collectorate of Central Excise by Mr. A. Mukherji of Andrew Yule & Co. Ltd.

(2) *Assam.*—The Association continued to be represented on the Regional Advisory Committee of the Collectorate of Customs & Central Excise, Assam, by the Shillong Adviser.

Excise Duty on Tea.—(1) *Rates of Excise Duty.*—By a notification dated the 1st October 1968, the Government of India exempted tea from the payment of the 20 per cent special duty of excise and tea estates as a result obtained relief to the following extent :

Zone I	5 paise per kg.
Zone II	8 paise per kg.
Zone III	10 paise per kg.
Zone IV	11 paise per kg.
Zone V	13 paise per kg.

The sums accruing from this relief will have to be utilised by tea estates for purposes of development, the details of which are referred to elsewhere in this report.

The current rates of excise duty on tea are as follows :

	Duty (in paise per kg.)
Zone I	
(a) Green teas	10
(b) Others	25
Zone II	40
Zone III	50
Zone IV	55
Zone V	65

Some tea estates continued paying the special duty of excise after the 1st October, 1968 as the announcement regarding its withdrawal did not reach them in time. The matter was referred to the Collectors of Central Excise, who in due course issued instructions authorising the refund of any payments made and sanctioning the transfer of all balances held under the head "special duty of excise" to the head "basic excise duty."

(2) *Introduction of the Audit Type of Control*.—Following a recommendation of the Administrative Reforms Commission the Government of India decided to extend the audit type of excise control to manufacturers of all, except 13, excisable commodities. Tea was not included in the list of exceptions.

The scheme was due to come into force on tea estates from the 1st May, 1968 but as there was not sufficient time for managements to familiarise themselves with the procedure which they would have to follow, the introduction of the scheme was postponed to the 1st June, 1968.

Under the scheme managements are now responsible for clearing their own teas without the countersignature of excise officers on the relevant documents. Every estate is required to maintain a Personal Ledger Account or an account current in which adequate funds have to be maintained to cover all expected clearances of tea.

Apart from a few preliminary difficulties the scheme appears to have worked smoothly on tea estates since its introduction.

(3) *Payment of Excise Duty by Cheque*.—From 1966 tea estates were allowed the privilege of paying excise duty by cheque subject to certain formalities. At the beginning of the year the Collectors of Central Excise at Calcutta and Shillong issued Circulars stating that with effect from the 1st April, 1968 the payment of excise duty by cheque would only be allowed if the

cheque was drawn on an approved bank situated at the headquarters of the Collectorate. This meant that in the case of estates in Assam cheques would have to be drawn on banks with offices in Shillong and in the case of estates in West Bengal on banks with offices in Calcutta.

It had been customary for tea estates in Assam to issue cheques on banks at Calcutta, and the new regulation therefore caused considerable inconvenience. As a result of representations, the Collector of Customs and Central Excise, Shillong, agreed to accept cheques drawn on banks situated within the jurisdiction of his Collectorate if the bank did not have an office at Shillong. He regretted his inability to accept cheques drawn on a Calcutta bank after the 30th April, 1968. This matter was taken up with the Member, Excise, Central Board of Excise and Customs, and although an assurance was received that the Association's case would receive sympathetic consideration, the Association was later advised that tea estates in Assam could not be allowed to pay excise duty by cheques drawn on Calcutta banks. The Association has now approached the Chairman of the Tea Board for his assistance.

With the introduction of the audit system for the payment of excise duty, each estate was required to open an account current and to keep it in funds. This could be done through deposits by Treasury challans or by cheque. Deposits by Treasury challan can be made at any treasury but payments by cheque have to be made by cheques drawn on a scheduled bank within the jurisdiction of the appropriate Collectorate where the bank does not have an office at the headquarters of the Collectorate.

Drawback of Excise Duty on Plywood Tea Chests.—In last year's report it was recorded that the Association had submitted a representation to the Inter-departmental Drawback Committee suggesting that the drawback allowed on tea chests should be suitably increased.

By a notification dated the 29th June, 1968 the Government of India revised the rates of drawback as follows :—

Size of chest (in cm)	Drawback per 100 chests (Rs.)
48 × 48 × 60	142.80
48 × 48 × 56	136.60
46 × 46 × 50	119.70
40 × 40 × 45	96.30
40 × 40 × 50	102.60
44 × 44 × 48	109.00
For sizes not specified	88.50 per 100 sq. metres of surface area of the chests

The Drawback Enquiry Committee, which had been constituted by the Government of India in 1966 to ~~examine the arrangements~~ for granting drawback of customs duties and duties of excise on materials used in the manufacture of goods exported out of India, submitted its report to Government during the year. The recommendations that “the normal policy of Government should be to allow drawback on all commodities” and that “export goods should be entitled to a refund of excise duty paid on the finished product where this has not otherwise been rebated or avoided” may possibly be useful in pressing the Industry’s case for a drawback of excise duty on exported teas.

The Enquiry Committee also recommended the grant of advance payments against drawback claims but such a scheme is unlikely to be of general interest in view of the procedural difficulties likely to arise.

By a Notice dated the 26th April, 1968, the Collector of Customs announced that drawback payable in respect of tea chests would be adjusted against the export duty at the time of collection of the export duty. This greatly speeded up the settlement of drawback claims although delays continued to be experienced as a result of the Customs’ insistence on the check weighing and inspection of tea chests at the shipment sheds.

MISCELLANEOUS

Seminar on Export Promotion.— The Association was represented at the Seminar on Export Promotion, sponsored by the Hindustan Chamber of Commerce, Madras, and held in Madras on the 19th to the 21st January, 1968, by the Senior Adviser, Mr. P. J. Parr.

A significant point raised by one of the participants in the Seminar was the possibility of introducing “administered” prices for tea, especially for the higher quality teas where prices tended to fluctuate more than those for other teas. It was explained by representatives of the Trade and Industry that such a proposal was not practical; that it was akin to the proposal for a floor price, which had already been rejected. It was suggested that the only practical way of minimising fluctuations in prices and obtaining a higher price for tea would be to regulate offerings and it was hoped that agreement on such regulation might be achieved at the forthcoming UNCTAD discussions.

The problems of Plantation Industries were discussed by a group nominated at the Seminar and the report prepared by the Group is reproduced in the appendices to this report for record.

Export Import Advisory Committee (Eastern Zone).—A meeting of the Export Import Advisory Committee (Eastern Zone), on which Mr. A. Mukherji represents the Consultative Committee of Plantation Associations, was held in Calcutta on the 16th September, 1968.

At this meeting the difficulties experienced by tea exporters on account of the check-weighment of consignment teas at the shipment shed were discussed and the Committee agreed to recommend its abolition to Government. The Committee also agreed to recommend to Government that drawback of West

Bengal Entry Tax should be allowed in the case of teas sold at the Calcutta Auctions but subsequently exported.

The Apprentices Act, 1961.— The Association is represented on the Assam State Apprenticeship Council by the Shillong Adviser and the Chairman of the Technical Sub-Committee of the Assam Branch.

• During the year the Association continued to bring to members' attention the various notifications issued by the Government of India announcing additional designated trades and prescribing the periods of training which apprentices would have to be given.

Training of Dais in Darjeeling. The courses organised by the Deshbandhu Dai Training Society at Darjeeling continued to be held in 1968, and a number of tea estate nominees attended, applications for admission being channelled ~~through the Association~~ and the Tea Board.

Malaria Control on Tea Estates.— The National Malaria Eradication Programme continued to be responsible for the spraying of DDT in the tea districts of Assam. Owing to a general shortage of DDT the spraying of the first round was delayed until the middle of May, 1968. Zone 1, which had been in the consolidation phase, was downgraded to the attack phase and all estates, towns and villages in that area were sprayed twice during the year. In Zone 2 spraying was carried out on estates close to the hills in the Jorhat and Sonari Circles, as well as on those estates in the Titabar and Golaghat areas and in the area from Misa eastwards to the Dhunseri River. In Zone 3 spraying covered some estates in the Bishnauth and Tezpur Circles. In the Borsola and Mangaldai Circles the strip between the Bhutan and NEFA borders was sprayed.

A meeting was convened by the Director of Health, Planning and Education, Assam, on the 14th May, 1968, at

Shillong to discuss means by which malaria, which had re-appeared on tea estates as well as elsewhere in Assam, could be eradicated. The meeting was attended by Mr. F. R. Wilson, Chairman, Assam Branch, and Mr. G. T. Allen, Shillong Adviser. At the meeting the representatives of the NMEP alleged that the recurrence of malaria on tea estates was mainly due to the labour's practice of mud-plastering their houses after they had been sprayed with DDT. The Association's representatives strongly repudiated this suggestion and, while admitting that some cases of mud-plastering occurred, insisted that the practice was not so widespread as to be responsible for the considerable increase in malaria which had occurred. Furthermore, the increase in malaria was not general throughout the tea industry and was confined to certain black spots and was high in certain areas only. It was suggested therefore that the NMEP should carry out a proper investigation to determine the real causes of the increase in malaria. For this purpose a Committee, of which Dr. Gilroy was appointed a member, was set up to investigate cases in the seriously affected areas. The NMEP agreed to improve the work carried out by their staff, and tea estate managements agreed to take steps to prevent workers from mud-plastering their houses after they were sprayed with DDT.

The incidence of malaria continued to cause concern and the Ross Institute is collecting data from member estates with a view to preparing a case for submission to the NMEP authorities in New Delhi.

Employment of Assamese. In March, 1968 senior officers in various Agency Houses received personal letters from the Speaker of the Assam Legislative Assembly inviting them to attend a seminar on employment possibilities in the State on the 16th March, 1968.

As it was felt that it would not be convenient for all those who had been invited to attend, in view of the short notice, it was arranged that the Association should be represented by

Mr. M. Lamond, the Vice-Chairman, Mr. E. H. Hannay, O.B.E., Mr. F. R. Wilson, Chairman, Assam Branch, and Mr. G. T. Allen, M.C., the Shillong Adviser.

At the seminar the Association came in for considerable criticism for its alleged failure to employ qualified Assamese on tea estates. The Association's representatives rebutted the allegations and pointed out that the scope for employment in the managerial cadre in the tea industry was limited; that it was the Association's policy for managerial staff to be recruited on an all-India basis but that preference was given to Assamese candidates when all things were equal; that the Industry had the right to choose the best candidate for the job in view of the mounting competition which it had to face; and that unless Government took steps to establish other industries it was unlikely that there would be sufficient openings for all the local candidates available.

In view of Government's concern over this matter it was recommended to members that whenever vacancies arose they should be widely advertised in Assam, including intimation to the Labour Exchange; that initial interviews should be held in Assam; and that greater use should be made of the Screening Committee machinery, which it was hoped would meet more frequently.

Members were also reminded of their obligation to notify all managerial vacancies to the Directorate of Employment and Craftsmen Training, Assam, under the Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.

A request by the Industries Department of the Government of Assam that the Liaison Officer, Assam, should be included by Agency Houses in their selection boards was not found acceptable.

Tea Board Scheme for the award of Trophies to tea estates obtaining the highest yields and the highest prices.—In last year's report it was recorded that the Tea Board had devised a scheme for the award of trophies to tea estates obtaining the highest yields and the highest prices.

During the year certain criticisms of the scheme came to the Association's attention and after consideration the following suggestions were put forward to the Tea Board for the improvement of the Scheme :—

- (i) *Coverage.*—The existing scheme should apply only to tea estates of above 40 hectares and a new scheme should be devised for estates of below 40 hectares.
- (ii) *Classification of Areas.*—In view of the wide variations in yields and prices between the areas in the present groups, the groupings should be revised on the basis of the Excise Zones.
- (iii) *Calculation of Production.*—The prize for yield should be based on the crop on which excise duty is levied and green leaf purchased from outside sources should be disallowed.
- (iv) *Calculation of Prices.*—All teas sold in the year excluding tea waste should be taken into account. The total sales both internal and export should be reduced to a common equivalent. If it was too complicated to reduce the prices to ex-factory it would be possible to reduce them to the Calcutta or Cochin equivalent by using the J. Thomas conversion tables.
- (v) *General.*—The practice of giving awards for the highest yield and prices would limit the chances of winning prizes to a few at the top. It would serve as an encouragement to all levels if the Tea Board could consider giving awards also to estates which had

registered the maximum improvement over the last three years.

A revised scheme was issued by the Tea Board towards the end of October in respect of 1967 yields and prices. The closing date for entries was fixed as the 31st January, 1969.

Personal Injuries (Compensation Insurance) Scheme, 1965.— The Personal Injuries (Compensation Insurance) Scheme ceased to be in force from the 10th January, 1968, the date on which the President of India issued a proclamation terminating the State of Emergency in India.

Under Clause 6(1) of the Scheme, the Government of India was required to assess the total premium due from the employers under the scheme within nine months of the termination of the Emergency, and Government therefore by a notification dated 12th September, 1968, ~~declared that the~~ advance payments of premium already paid by the employers would constitute the total premium due under the Scheme.

Emergency Risks Insurance.— The rates of premium under the Emergency Risks (Goods and Factories) Insurance Scheme were fixed at "nil" for the first quarter of 1968 in respect of policies issued in the previous quarter. In the case of new policies the rates were fixed at 6 paise for every Rs. 100/- or part thereof of the sum insured subject to a maximum of Rs. 25/- in the case of goods and 10 paise for every Rs. 100/- or part thereof of the sum insured subject to a maximum of Rs. 25/- in the case of factories.

The Schemes ceased to be in force from the 10th January, 1968, when the State of Emergency in India was withdrawn.

West Bengal Council for Child Welfare.— In response to an appeal received from His Excellency the Governor of West Bengal members of the Association contributed a sum of

Rs. 9549/- towards the cost of building the Institute of Child Welfare planned by the West Bengal Council for Child Welfare.

Assam Chaplaincy Scheme.—The Rev. F. H. Davey left India towards the end of February 1968 and the Assam Chaplaincy Establishment Fund maintained only one Chaplain—The Rev. P. Innes—during the remainder of the year at Digboi.

As a result of this reduction, tea companies were only required to contribute to the Fund in 1968 at the rate of Rs. 80/- per 100 hectares as compared with the previous rate of Rs. 100/- per 100 hectares.

Dooars Chaplaincy.—Sterling tea companies with interests in the Dooars contributed at the rate of 30 paise per hectare to raise a sum of Rs. 7000/- required for the repair of the Dooars Chaplaincy Land Rover.

Darjeeling Chaplaincy Fund.—In 1948, the Association gave an assurance to the Metropolitan of India that on condition that a Chaplain was maintained in Darjeeling, an annual contribution of Rs. 5000/- would be guaranteed by the Industry for the upkeep of the Chaplaincy. During the year under review, Agency House estates in the Darjeeling District were asked to contribute at the rate of 86 paise per hectare to raise the guaranteed sum, which was paid to the Bishop of Barrackpore under whose jurisdiction Darjeeling falls.

Sterling tea companies with interests in the Dooars were requested to subscribe to a levy of 1.247 paise per hectare to meet the travelling expenses incurred by the Church of England Chaplain at Darjeeling during his tours in the Dooars tea districts in 1968.

Planters Amenities Fund.— The rates of subscription to the Planters' Amenities Fund for 1968 were fixed at—

35 paise per hectare under tea for Cachar estates.

70 paise per hectare under tea for all other estates.

The collections made were distributed in accordance with proposals which received the prior approval of the Committee.

Ross Institute of Tropical Hygiene.— Tea companies in the membership of the Association continued to support the Ross Institute of Tropical Hygiene, India Branch, to which they subscribed at the rate of 10 paise per 100 kg. in 1968.

The Principal, Dr. A. Gilroy, O.B.E., M.B., B.S., D.T.M. & H. continued to supervise the Association's Family Planning Project; and the Institute remained responsible for the distribution to tea estates of the supplies of IUDs received from Government.

The Ross Institute continued to collect vital statistics on tea estates, and also statistics relating to the incidence of malaria. The Institute acted, as in the past, as a liaison between the National Malaria Eradication Programme and estates.

The Association was represented on the Committee of Control by Mr. A. F. Macdonald, who served as Chairman.

Dooars & Darjeeling Nursing Home.— The Dooars and Darjeeling Nursing Home continued to function satisfactorily during the year under review under the supervision of Dr. R. N. Bose, M.B., B.S., F.R.C.S.

The rates of tea company subscriptions were maintained at the same level as in 1967 viz :—

For estates in Darjeeling	Rs. 4.65 per hectare
For estates in Terai	Rs. 3.85 „ „
For estates in the Dooars excluding Eastern Dooars	Rs. 1.85 „ „
For estates in Eastern Dooars	Rs. 1.25 „ „
Special Health Scheme	Rs. 4.65 „ „

Calcutta School of Tropical Medicine.— The members of the Association with few exceptions continued their support of the Calcutta School of Tropical Medicine during 1968, the subscription being fixed at 7.5 paise per hectare. A total of ~~Rs. 10,789/49~~ was accordingly paid over to the School. The Association was represented on the Governing Body of the School by Mr. A. F. Macdonald.

The normal courses for the Licence and the Diploma in Tropical Medicine were held during the year.

Cemeteries in the Tea Districts.—Agency Houses with interests in Darjeeling and the Terai subscribed towards the Darjeeling Cemeteries Fund at the rate of Rs. 30/- for each estate.

Membership Subscription. The rate of subscription for the last three years has been as follows :—

1966—Rs. 0.80 per quintal of the average production
for the years 1962, 1963 and 1964

1967—Rs. 1.00 per quintal of the average production
for the years 1963, 1964 and 1965

1968—Rs. 1.15 per quintal of the average production
for the years 1964, 1965 and 1966.

Finance.—Copies of the audited balance sheet of the Association as at the 31st December, 1968, together with the revenue accounts for the year are attached to the report.

C. J. N. Will, *Chairman*
M. Lamond, *Vice Chairman*
B. P. Bajoria
V. K. Chaudhri
M. Goenka
E. H. Hannay
F. P. D. Hurst
R. L. Mellor
C. R. F. Mackenzie
H. Massie-Taylor
S. K. Mehera
M. R. Smith
P. Steyn
G. A. Whitaker

A. T. Robertson
Assistant Secretary
Royal Exchange
Calcutta, 13th February, 1969

INDIAN TEA ASSOCIATION

STATEMENTS OF ACCOUNTS

For the year 1968.

INDIAN TEA BALANCE SHEET

As at 31st Dec. 1967. Rs.	LIABILITIES	Rs.	P.	Rs.	P.
	CAPITAL ACCOUNT				
48,43,252	As per last Balance Sheet ..	43,56,777	72		
4,86,474	Less—Deficit for the year ..	1,29,740	72	42 27,037	00
43,56,778					
	SPECIAL LEVY FOR LEGAL EXPENSES				
16,022	As per last Balance Sheet ...			16,021	62
1,02,112	LOANS—UNSECURED ... Assam Nursing Association			1,02,112	00
	SUNDRY CREDITORS				
1,60,301	For Expenses	65,206	82		
3,71,491	Other Finance	3,77,337	92		
30,600	Lokpriya Bardolai Memorial Fund	30,600	19		
79,472	Planters' Amenities Fund ..	92,660	95		
19,834	Tea Research Association ..	1,15,651	85		
11,145	Calcutta School of Tropical Medicine	10,927	61	6,92,385	34
	TEA BOARD GRANT FOR NON- RECURRING EXPENDITURE				
57,581	Scientific Department ...	42,241	00		
(--15,340	Less—Depreciation on Assets acquired ex this grant ...	15,340	00	26,901	00
42,241					
	DOOARS BRANCH BUILDING FUND				
4,09,487	As per last Balance Sheet ...	3,68,538	00		
(--40,949	Less—Depreciation	36,854	00	3,31,684	00
3,68,538	(Buildings transferred from Dooars Branch Indian Tea Association amounting to Rs. 4,54,985'02)				
	SOCIAL WORKER'S RETIRAL FUND			6,893	75
55,58,534	TOTAL Rs. ...			54,03,034	71

AUDITORS' REPORT

We have audited the foregoing Balance Sheet of the Indian Tea Association as at 31st December, 1968, in which have been incorporated the assets and liabilities of the Indian Tea Association, Scientific Department and the Income and Expenditure Account for the year ended on that date with books and vouchers. We have obtained all the information and explanations we have required. In our opinion the Balance Sheet sets forth correctly the position of the Association according to the best of our information and the explanations given to us and as shown by the books of the Association.

Calcutta, the 27th February, 1969.

LOVELOCK & LEWES,
Chartered Accountants.

ASSOCIATION

as at 31st December, 1968.

As at 31st Dec. 1967. Rs.	ASSETS	Rs.	P.	Rs.	P.
	FIXED CAPITAL EXPENDITURE (As per Schedule)				
5,32,838	Labour Department ...	4,70,978	00		
12,56,976	Engineering and Scientific Department ...	11,22,569	11		
2,16,527	General ...	1,82,701	00		
3,68,538	Dooars Branch Buildings ...	3,31,684	00	21,07,932	11
	OUTSTANDINGS				
45,422	Subscriptions				
	Considered Good ...	34,582	37		
2,34,092	Others—considered good ...	4,61,776	82		
98,695	Interest Accrued ...	1,23,047	97		
63,671	Income Tax on Security Interest ...	21,042	17	6,40,449	33
3,40,160	Advances				
	Considered good ...	1,43,144	79		
	Considered doubtful ...	80,000	00	2,23,144	79
1,620	DEPOSIT				
7,740	Telephone ...	1,200	00		
	Sundries ...	9,740	00	10,940	00
	INVESTMENTS AT COST				
4,49,948	4% Loan 1981 for Rs. 4,56,800 ...	4,49,948	00		
1,01,800	4½% „ 1985 „ Rs. 1,01,800 ...	1,01,800	00		
1,00,300	4% „ 1980 „ Rs. 1,00,400 ...	1,00,299	60		
99,937	3½% „ 1969 „ Rs. 1,01,100 ...	99,937	35		
2,00,000	4% „ 1979 „ Rs. 2,00,000 ...	2,00,000	00		
1,00,000	6½% Non-redeemable Debentures of Bengal Chamber of Com- merce & Industry ...	1,00,000	00	10,51,984	95
	CASH AND BANK BALANCES				
92,960	• With State Bank of India on Cur- rent Account ...	1,55,877	57		
12,06,536	„ National & Grindlays Bank Ltd. on Fixed Deposit Account ...	11,53,724	38		
31,634	„ Shillong Adviser at State Bank of India, Shillong, on Current Account ...	47,726	93		
2,987	„ In Hand ...	5,382	07		
	„ Darjeeling Branch Indian Tea Association on Imprest Account ...	1,500	00		
1,500	„ In hand ...	4,372	58	13,68,583	53
4,653					
55,58,534	TOTAL RS.	...		54,03,034	71

T. R. CROOK,
Secretary.C. J. N. WILL,
Chairman.

INDIAN TEA
INCOME AND EXPENDITURE ACCOUNT

Year ended 31st Dec. 1967	EXPENDITURE	Rs.	P.	Rs.	P.
Rs.					
4,21,400	To Contribution to Bengal Chamber of Commerce and Industry ...			4,21,400	00
51,617	„ Establishment ...	50,095	36		
22,207	„ Printing ...	24,267	79		
27,314	„ Stationery ...	27,184	45		
4,288	„ Books and Newspapers ...	4,093	59		
9,298	„ Postage ...	10,687	47		
2,826	„ Telegrams ...	5,069	53		
12,073	„ Telephones ...	11,508	97		
	„ General Charges (including Rs. 1,05,146 '63 for Family Planning Expenditure) ...	1,39,924	52		
36,864	„ Travelling ...	40,493	25		
61,562	„ Audit Fee ...	2,500	00		
3,300	„ Sundry Subscriptions ...	30,440	00		
30,440	„ Pensions and Gratualties ...	1,40,052	30		
1,26,057	„ Law Charges ...	38,731	00	5,25,048	24
52,780					
1,09,562	„ Depreciation ...			1,02,954	97
3,67,749	„ Adviser's Salaries and Expenses ...			3,46,756	88
65,291	„ Statistical Department Expenses ...			72,162	53
65,428	„ Contribution to Indian Tea Association, London ...			54,269	16
3,894	„ Contribution to Terai Branch Indian Tea Association ...			3,710	45
2,57,242	„ Shillong Adviser's Expenses ...			2,64,068	19
	„ Labour Department Expenses :				
2,19,658	Assam Branch ...	2,12,520	71		
18,856	Surma Valley Branch ...	36,900	11		
39,879	Darjeeling Branch ...	45,208	25		
70,193	Doars Branch ...	79,091	87	3,73,720	94
21,671	„ Bad Debt ...			—	
	„ Deficit transferred from Scientific Department Income & Expenditure Account—Annexed ...			4,53,069	62
4,01,621					
23,03,070	TOTAL Rs.			26,17,160	98

INDIAN TEA

Scientific

Income and Expenditure Account

Year ended 31st Dec. 1967 Rs.	EXPENDITURE	Rs.	P.	Rs.	P.
18,849	To Office and Establishment ...	...	...	30,506	03
20,638	„ Botanical Branch Expenses ...	...	...	21,059	08
750	„ Agricultural Branch Expenses ...	...	...	193	80
1,331	„ Tea Testing & Mfg. Advisory Branch Expenses ...	...	...	698	05
17,779	„ Engineering Dept. Expenses ...	...	...	24,304	37
1,778	„ Tea Chemistry & Technology ...	...	...	—	—
	„ Advisory Branch Expenses :				
990	Assam ...	4,130	04		
2,769	West Bengal ...	2,834	62	6,964	66
2,29,101	„ Calcutta Expenditure ...	...	...	2,40,258	83
1,73,002	„ Depreciation ...	...	...	1,51,787	00
4,66,987	TOTAL RS. ...	...	...	4,75,771	82

ASSOCIATION**Department***for the year ended 31st December, 1968*

Year ended 31st Dec. 1967		INCOME					
Rs.				Rs.	P.	Rs.	P.
•1,042	By Interest	...	...	...	...	—	—
13,000	„ Profit on sale of Motor Car	...	...	...	...	—	—
1,001	„ Rent of Plant, Machinery & other Equipment at Tocklai	...	...	...	...	1,001	00
50,323	„ Sale of Clones	...	...	...	...	21,701	20
4,01,621	„ Deficit transferred to Indian Tea Association—Income and Expen- diture Account	...	...	...	...	4,53,069	62

INDIAN TEA

Schedule of Fixed

	Cost to 31st December 1967.		Additions 1968		Sales during 1968	
	Rs.	P.	Rs.	P.	Rs.	P.
LABOUR DEPARTMENT						
Bungalow and Staff Quarters, Jorhat A/c. Labour Adviser	1,47,951	62	...	...	...	..
„ Additional Labour Adviser	2,17,839	34	...	...	...	...
„ Dooars A/c. Labour Adviser	3,21,642	86	...	...	...	...
„ A/c. Addl. Labour Adviser	2,44,619	68	...	...	...	...
„ Sonabheel A/c. Labour Adviser	60,794	59	...	...	...	...
„ A/c. Addl. Labour Adviser	2,44,596	25	...	...	...	...
Electrical Installation at Sona- bheel. ...	14,608	98	...	...	...	...
Secretary's Bungalow at Surma Valley ...	57,966	23	...	...	...	...
Office Equipment and Bungalow Furniture ...	1,89,856	95	5,140	94	1,050	00
Leasehold Land at Darjeeling	3,977	50	...	...	...	...
Labour Adviser's Bungalow at Darjeeling ...	72,193	00	...	...	...	...
Air Conditioning Plant & Gene- rating Sets ...	70,093	19	...	...	13,500	00
Total ...	16,46,140	19	5,140	94	14,550	00
GENERAL						
Motor Cars ...	2,39,747	98	16,632	80	...	...
Advisers' Air Conditioning Plant	56,101	78	...	...	...	...
Advisers' Furniture & Fittings	88,545	94	...	...	...	...
Advisers' Equipment ...	11,112	19	...	...	...	...
Shillong Advisers' Bungalow ...	1,12,409	48	...	...	...	...
Shillong Adviser's Bungalow Furniture ...	2,659	72	...	...	...	...
Shillong Adviser's Office Equip- ment ...	6,801	97	1,450	23	550	00
Auto Cycle for Shillong ...	8,528	28	...	...	2,573	74
Furniture & Fittings ...	21,372	38	...	...	...	...
Cinema Projection Equipment ...	4,815	00	...	...	...	...
	5,52,094	72	18,083	03	3,123	71
Buildings at D. B. I. T. A. Head Quarters ...	4,54,985	02	...	...	...	...
	26,53,219	93	23,223	97	17,673	74

ASSOCIATION

Capital Expenditure.

Cost to 31st December 1968		DEPRECIATION						Balance as at 31st December 1968	
		To 31st December, 1967		For 1968		To 31st December, 1968			
Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
1,47,951	62	1,18,949	62	2,900	00	1,21,849	62	26,102	00
2,17,839	34	1 53,574	34	6,426	00	1,60,000	34	57,839	00
3,21,642	86	2,49,727	86	7,191	00	2,56,918	86	64,724	00
2,44,619	68	1,61,049	68	8,357	00	1,69,406	68	75,213	00
60,794	59	37,189	59	2,360	00	39,549	59	21,245	00
2,44,596	25	1,68,951	25	7,564	00	1,76,515	25	68,081	00
14,608	98	2,120	98	1,249	00	3,369	98	11,239	00
57,966	23	29,218	23	2,879	00	32,097	23	25,869	00
1,93,947	89	1,20,905	95	7,409	94	1,28,315	89	65,632	00
3,977	50	3,977	50	...	...	3,977	50	...	...
72,193	00	37,663	00	3,453	00	41,116	00	31,077	00
56,593	19	29,974	19	2,662	00	32,636	19	23,957	00
16,36,731	13	11,13,302	19	52,450	94	11,65,753	13	4,70,978	00
2,56,380	78	1,51,118	98	37,037	80	1,88,156	78	68,224	00
56,101	78	36,442	78	1,966	00	38,408	78	17,693	00
88,545	94	60,185	94	2,836	00	63,021	94	25,524	00
11,112	19	5,094	19	602	00	5,696	19	5,416	00
1,12,409	48	58,613	48	5,398	00	64,011	48	48,398	00
2,659	72	988	72	167	00	1,155	72	1,504	00
7,702	20	3,867	97	383	23	4,251	20	3,451	00
5,954	54	595	54	1,190	00	1,785	54	4,169	00
21,372	38	14,430	38	694	00	15,124	38	6,248	00
4,815	00	2,511	00	230	00	2,741	00	2,074	00
5,67,054	01	3,33,848	98	50,504	03	3,84,353	01	1,82,701	00
4,54,985	02	86,447	02	36,854	00	1,23,301	02	3,31,684	00
26,58,770	16	15,33,598	19	1,39,808	97	16,73,407	16	9,85,363	00

INDIAN TEA
Scientific
Schedule of Fixed

	Written down value on 31-12-1967		Additions in 1968		Sales during 1968	
(1)	(2)		(3)		(4)	
	Rs.	P.	Rs.	P.	Rs.	P.
Tocklai Land and Buildings						
Buildings ...	6,07,837	00	...	...	...	...
Land ...	1,23,433	11	...	...	...	...
Electrical Installation ...	25,261	00	...	...	...	...
Internal Telephones ...	1,054	00	...	...	...	...
Water Supply ...	41,837	00	...	...	...	...
Tea Factory Machinery ...	5,606	00	...	...	...	...
Laboratory Apparatus and Equipment ...	34,778	00	...	...	...	...
Laboratory Fittings ...	6,070	00	...	...	...	...
Air-Conditioning Plant ...	10,938	00	22,612	50	...	...
Fire Fighting Equipment ...	7,561	00	...	...	...	...
Advisory Officers' Bungalows and Staff Quarters						
Dooars ...	11,666	00	...	...	...	...
Darjeeling ...	3,932	00	...	...	...	...
Cachar ...	10,815	00	...	...	...	...
Furniture and Fittings						
Tocklai Officers' Bungalow and Office Furniture ...	1,44,111	00	...	...	...	...
Advisory Officers' Bungalow and Office Furniture ...	5,569	00	...	...	...	...
Meteorological Enclosures ...	6,154	00	...	...	...	...
Fencing and Roadways ...	34,688	00	...	...	...	...
Wireless Receiving Set ...	68	00	...	...	...	...
Agricultural Implements & Field Requirements ...	272	00	...	...	...	...
	10,81,650	11	22,612	50	...	...

ASSOCIATION

Department

Capital Expenditure, 1968.

Total of Cols 2 & 3 minus Col 4		Percentage of depreciation	Depreciation in 1968		Balance on 31-12-1968	
(5)		(6)	(7)		(8)	
Rs.	P.		Rs.	P.	Rs.	P.
6,07,837	00	10%	60,784	00	5,47,053	00
1,23,433	11	—	—	—	1,23,433	11
25,261	00	20%	5,052	00	20,209	00
1,054	00	20%	210	00	844	00
41,837	00	20%	8,367	00	33,470	00
5,606	00	10%	561	00	5,045	00
34,778	00	20%	6,955	00	27,823	00
6,070	00	10%	607	00	5,463	00
33,550	50	10%	3,355	50	30,195	00
7,561	00	10%	756	00	6,805	00
11,666	00	10%	1,167	00	10,499	00
3,932	00	10%	393	00	3,539	00
10,815	00	10%	1,081	00	9,734	00
1,44,111	00	10%	14,411	00	1,29,700	00
5,569	00	10%	557	00	5,012	00
6,154	00	10%	615	00	5,539	00
34,688	00	10%	3,469	00	31,219	00
68	00	25%	17	00	51	00
272	00	50%	136	00	136	00
11,04,262	61	...	1,08,493	50	9,95,769	11

INDIAN TEA

Scientific
Schedule of Fixed

	Cost to 31-12-1967	Additions in 1968	Sales in 1968
Engineering Department			
Machine Tools Equipment & Instrument	42,970'56	...	...
Furniture & Fittings ...	10,473'32	...	...
Bungalow	1,20,189'67	...	...
Power House & Workshop Building	53,933'94	...	...
Electrical Installation ...	1,48,996'59	...	...
Pilot Factory & Prototype Machinery	7,15,394'11	...	...
Engineer's Office at Tocklai ...	12,174'53	...	...
Engineering Staff Quarters ...	31,340'32	...	...
Withering Chamber ...	66,148'81	...	...
	12,01,621'85	...	...
Non-recurring Expenditure against Tea Board Grant ...	1,24,685'38	...	...
Motor Cars and Vehicles ...	1,79,065'91	10,107'50	8,138'00

*Total depreciation

Less adjustment in respect of sales

ASSOCIATION**Department****Capital Expenditure 1968—Contd.**

Cost to 31-12-1968	Depreciation			Balance at 31-12-1968
	Up to 31-12-1967		Total up to 31-12-1968	
42,970'56	42,970'56		42,970'56	—
10,473'32	8,295'32	10%	8,513'32	1,960'00
1,20,189'67	95,443'67	10%	97,918'67	22,271'00
53,933'94	41,264'94	10%	42,531'94	11,402'00
1,48,996'59	1,46,188'59	25%	1,46,890'59	2,106'00
7,15,394'11	7,00,055'11	50%	7,07,724'11	7,670'00
12,174'53	7,928'53	10%	8,353'53	3,821'00
31,340'32	21,504'32	10%	22,488'32	8,852'00
66,148'81	66,148'81	...	66,148'81	—
12,01,621'85	11,29,799'85	...	13,740'00	58,082'00
1,24,685'38	82,444'38		15,340'00	26,901'00
1,81,035'41	1,11,294'91*		27,923'50†	41,817'00

Total Rs. 11,22,569'11

1,17,802'91

29,553'50

6,508'00

1,630'00

1,11,294'91*

27,923'50†

INDIAN TEA

Provident*BALANCE SHEET as at*

LIABILITIES	Rs.	P.	Rs.	P.
CAPITAL ACCOUNT				
Employees' Subscriptions :				
To 31st March 1967	8,22,123	40		
From 1st April 1967 to 31st March 1968	1,14,350	50		
	9,36,473	90		
Less : Transferred to Ex-members' Account	1,75,120	24	7,61,353	66
Interest on Subscription :				
To 31st March 1967	2,23,961	95		
Add : Proportion of Profit for the year ended 31-3-68	57,535	12		
	2,81,497	07		
Less : Transferred to Ex-members' Account	31,650	01	2,49,847	06
Employers' Contribution :				
To 31st March 1967	8,22,123	40		
From 1st April 1967 to 31st March 1968	1,14,350	50		
	9,36,473	90		
Less : Transferred to Ex-members' Account Rs. 1,68,386 11 Forfeited " 6,734 13	1,75,120	24	7,61,353	66
Interest on Employers' Contribution :				
To 31st March 1967	2,70,733	72		
Add : Proportion of Profit for the year ended 31-3-68	60,993	09		
	3,31,726	81		
Less : Transferred to Ex-members' Account Rs. 69,239 56 Forfeited " 449 83	69,689	39	2,62,037	42
Employees' Optional Subscription :				
To 31st March 1967	50,856	91		
From 1st April 1967 to 31st March 1968	8,650	27		
	59,507	18		
Less : Transferred to Ex-members' Account	5,873	76	53,633	42
Carried over ... ..	...	...	20,88,225	22

ASSOCIATION

Fund*31st March, 1968.*

ASSETS				Rs.	P.	Rs.	P.
INVESTMENTS (at Market Value)							
4%	Loan	1972 for Rs.	4,25,000/-	4,22,450	00		
4%	"	1981	" 2,76,600/-	2,60,695	50		
4½%	"	1985	" 2,15,000/-	2,09,087	50		
4½%	N. P. Bonds	1972	" 40,000/-	40,020	00		
4%	Madras Loan	1968	" 1,00,000/-	99,600	00		
4%	Loan	1970	" 4,61,700/-	4,59,853	20		
5½%	Madras Loan	1979	" 35,000/-	33,985	00		
12 yrs.	National Defence Certificates	"	2,30,000/-	2,35,359	00		
12 yrs.	National Savings Certificates	"	2,55,000/-	3,05,425	00		
5½%	Funding Stock 1978/80	"	£593-17-8				
			£.507-15-6	9,185	51		
6½%	Treasury Stock	1976	" £.1249-19-3				
		"	£.1212- 9-3	21,933	11		
5%	Exchequer Stock 1976/78	"	£.873- 1-4				
		"	£.729- 0-3	13,187	63	21,10,781	45
OUTSTANDINGS							
Employers' Contribution due ...				43,665	56		
Employees' Subscription due ...				13,363	61		
Employees' Optional Subscription due ...				1,213	14		
Accrued Interest on Investment ...				23,033	39		
Income Tax on Security Interest ...				14,075	90	95,951	60
Carried over ...				...	...	22,06,733	05

INDIAN TEA

Provident*BALANCE SHEET as at*

LIABILITIES—(Contd.)	Rs.	P.	Rs.	P.
Brought forward ...	...	...	20,88,225	22
Interest on Optional Subscription :				
To 31st March 1967 ...	11,596	67		
Add : Proportion of Profit for the year ended 31-3-68 ...	4,165	91		
	15,762	58		
Less : Transferred to Ex-members' Account ...	562	19	15,200	39
BALANCE DUE TO EX-MEMBERS' ACCOUNT				
Balance as per last account ...	4,04,024	91		
Add : Amount transferred from Capital Account ...	4,50,831	87		
	8,54,856	78		
Less : Refunded ...	3,50,818	89	5,04,037	89
SUNDRY CREDITORS				
For Expenses ...	800	00		
Other Finance ...	42,394	16	43,194	16
CONTRIBUTIONS PREPAID ...			133	83
Total ...	...	...	26,50,791	49

Sd/. T. R. CROOK,

Dated, Calcutta the 27th May, 1969.

Secretary.

ASSOCIATION

Fund*31st March, 1968.*

ASSETS.—(Contd.,)	Rs.	P.	Rs.	P.
Brought forward ... ..	...	.	22,06,733	05
PAID TO EX-MEMBERS' ON ACCOUNT ... ..	...	...	3,21,052	09
MEMBERS' WITHDRAWALS ... ..	...	...	45,801	00
CASH				
With State Bank of India, Netaji Subhas Road Branch on Current Account	73,365	35		
With State Bank of India, London £,212-5-6	3,840	00	77,205	35
Total .. ...	...	...	26,50,791	49

LOVELOCK & LEWES
Managers.
Chartered Accountants.

E. H. HANNAY
D. B. WALLACE } Trustees.

INDIAN TEA ASSOCIATION

CORRESPONDENCE SECTION

EXCISE DUTY RELIEF

Copy of a Circular no. 19/DTD/68/6372 dated 18th October, 1968 issued by the Secretary, Tea Board to 'all Producers' Associations

I am directed to refer to Government of India Notification No. 181/68-Central Excise dated 1st October, 1968 in terms of which 20% Special Excise Surcharge on tea has been abolished on and from the 1st October, 1968, in consequence of which tea estates obtain relief to the following extent.

1. Estates in Excise Zone I 5 paise per kg. of excisable tea

"	"	"	II	8	"	"	"
"	"	"	III	10	"	"	"
"	"	"	IV	11	"	"	"
"	"	"	V	13	"	"	"

(Relief for the purpose of this scheme is the above figures)

2. The sums accruing from the aforementioned relief shall be utilised for the purposes of development, under some or all of the following headings, at the estate to which the relief accrues (where the estate is manufacturing at other than its own factory, the relief will be deemed to accrue to the estates only).

- (a) On Extension, Replacement or Interplanting of Planted Area including preparation and fencing of land, provision of nurseries and shade trees, planting, and care and maintenance prior to coming into bearing.
- (b) On Construction or Extension of Roads, Culverts, Bridges and of Building of all descriptions.
- (c) On Provision or Replacement of Transport of all descriptions (new purchases of Tractors, Trucks, Trailers, Powered Trolleys, Trolley Track and Equip-

ment, Jeeps, Forklift Trucks etc. but excluding motor cars)

(d) On Measures for Controlling Soil Erosion and Waterlogging.

(e) On Provision of Irrigation Equipment, including Dams, Reservoirs, Sluices, Wells, Spraying Equipment, Pumps, Engines, Electrical Connections, Piping and Canals.

(f) On Chemical Control of Pests and Diseases, including weeds (to include the purchase of Spray Equipment, Chemicals and cost of application).

(g) On Provision, Replacement or Rationalisation of plant and machinery in factories, including Electric Grid Connections and Electrification of Machinery.

(h) On Research, including contributions to recognised Research Institutions and/or operation of recognisable company research units, engaged in promoting agricultural and manufacturing practices and/or operational efficiency connected with tea.

3. The sums accruing from the relief shall be utilised in the manner prescribed in paragraph 2 within 6 months of the end of the quarter in which the relief accrued. Relief accruing in a given quarter and unutilised in that quarter may therefore be carried forward, as necessary to the two subsequent quarters. Similarly, Development Expenditure in excess of the relief accrued in any one quarter, may also be carried forward, as necessary, to the two subsequent quarters.

4. As evidence of utilisation of the relief in the required manner, quarterly returns, in the prescribed form attached, shall be submitted to the Secretary, Tea Board, in respect of each estate. The return for the quarter ending the 31st December,

1968, shall be submitted by not later than the 31st January, 1968. Thereafter, returns shall be submitted within six weeks of the end of each quarter.

5. On the completion of the audit of the estates account for the year ended the 31st December, 1968 (or nearest accounting year thereto) and for each accounting year thereafter the estate shall obtain and submit to the Secretary, Tea Board, a certificate from the estate's auditors certifying the correctness of the quarterly returns submitted in respect of the relevant accounting year, or the required auditor's certificate shall record the correct figures for the estate in respect of:—

- (i) The total relief earned by the estate in the accounting year under audit.
- (ii) The total Development Expenditure incurred by the estate under the prescribed heads in the accounting year under audit.

6. I enclose a copy of the proforma in which returns are required to be maintained and submitted to the Tea Board.

7. I shall be thankful if the contents of the above are circulated to your members for compliance as per time schedule prescribed in paragraph 4 above.

**RETURN FOR DEVELOPMENT EXPENDITURE FROM
EXCISE RELIEF EARNING**

NAME OF TEA ESTATE

COMPANY'S NAME.....TEA BOARD REGD. NO.

DEVELOPMENT RETURN FOR THE QUARTER ENDING.....

Excise zone of location of Tea Estate	Total exciseable crop produced by the estate in the quarter	Ratio of made tea to green leaf	Rate of Relief	Total Relief accruing in the quarter.	
	Kgs.		Paise per kg.	Rs.	P.

Add cumulative total unutilised relief
carried forward from previous two
quarters (if any): Rs.....

Total relief available in the quarter: Rs.....

Development :

Expenditure incurred at the above tea estate/s in the quarter :

- (a) On Extension, Replacement or Inter-planting of Planted Area, including preparation and fencing of land, provision of nurseries, planting and care and maintenance prior to coming into bearing. Rs.
- (b) On Construction or Extension of Roads, Culverts, Bridges and of Buildings of all descriptions. Rs.
- (c) On Provision or Replacement of Transport (new purchases of Tractors, Trucks, Trailers, Powered Trolleys, Trolley Tract and Equipment, Jeeps, Forklift Trucks etc.) Rs.

C/o ...Rs.

	B/F ...	Rs.
(d) On Measures for Controlling Soil Erosion and Waterlogging.		Rs.
(e) On Provision of Irrigation Equipment, including Dams, Sluices, Reservoirs, Wells, Spraying Equipment, Pumps, Engines, Electrical Connections, Piping and Canals.		Rs.
(f) On Chemical Control of Pests and Diseases, including weeds (to include purchase of Spray Equipment, Chemicals and cost of application).		Rs.
(g) On Provision, Replacement or Rationalisation of Plant and Machinery in factories, including Electric Grid Connections and Electrification of Machinery.		Rs.
(h) On Research, including contributions to recognised Research Institutions and/or operation of recognisable company research units.		Rs.
Add cumulative excess of Development Expenditure over Relief carried forward from previous two quarters (if any). See Note (i)		Rs.
Total Development Expenditure		Rs.
Nett excess of Development Expenditure over Relief at end of current quarter.		Rs.
Nett excess of Relief over Development Expenditure at end of current quarter.		Rs.

Signature of Manager
Proprietor/Mg. Agents:

Date.....

Note :—(i) Development Expenditure incurred prior to the 1st October, 1968 should be omitted.

GOVERNMENT OF INDIA

Ministry of Finance (Department of Revenue and Insurance)
New Delhi, dated the 1st October, 1968
9th Asvina, 1890 (Saka)

NOTIFICATION : CENTRAL EXCISES

In excise of the powers conferred by sub-rule (1) of rule 8 of the Central Excise Rules, 1944: read with sub-section (4) of section 39 of the Finance Act, 1968 (19 of 1968), the Central Government hereby exempts all varieties of tea (except package tea), falling under Sub-Item (1) of Item No. 3 of the first Schedule to the Central Excises and Salt Act, 1944 (1 of 1944), from the whole of the special duty of excise leviable thereon under clause (b) of sub-section (1) of the said Section 39.

Sd/- (B. N. Rangwani)

Under Secretary to the Government of India.

TAXATION RELIEF FOR THE TEA INDUSTRY

Copy of a letter No 12210 dated 25th October, 1968 addressed by the Chairman, Consultative Committee of Plantation Associations to the Secretary, Government of India, Ministry of Commerce, New Delhi.

The Consultative Committee has given very full and careful consideration to the measures for relief to the Tea Industry, introduced with effect from the 1st October, 1968.

2. Any measure of relief from the burden of taxation is welcome to the Industry and, to this extent, the Consultative Committee wish to express their appreciation of the measures taken. They also consider that the relief has been channelled in sensible directions insomuch as, firstly, it is broad-based and benefits the entire Industry through the medium of Excise Duty, secondly it aids the export potential of the Industry and, thirdly, it affords assistance with development of tea estates; the replanting subsidy was both unexpected and particularly welcome. However, the Committee is unanimous in its view that the relief has been awarded too late to be of material benefit in the current production season and, more particularly, that the quantum of relief granted falls far short of meeting the essential needs of the Tea Industry and of the National economy, either this year or in the future.

3. It is considered that the Tea Industry will have no difficulty whatsoever in establishing to the complete satisfaction of Government, that the Industry's Development Expenditure, under the various headings specified in the scheme of relief, is far in excess of the very modest reduction in Duty. Indeed, member Associations of the Consultative Committee wish it to be pointed out that, to a very considerable extent, the sum total of all relief granted is illusory, insomuch as the nett benefit to the Industry, after deduction of Income Tax and

State Agricultural Tax and after loss of other benefits, is only nominal. Table I below illustrates the nett relief accruing to the entire Industry in India in a full year, based on the Industry's production and export performance in the latest year, 1967. (Full explanatory details of the method of computation of the nett relief will be found in the Appendix attached).

TABLE I

	<i>Total Gross Relief</i>	<i>Total Nett Relief</i>	<i>Nett Relief per kg. per hectare</i>	
	(Rs. Crores)	(Rs. Crores)	(paise)	(Rs.)
1. Abolition of Special Excise Duty ...	3.65	1.61	4.21	46.31
2. Increase in the, Export Duty rebate ...	1.61	0.70	1.83	20.13
Total Relief in Duties	5.26	2.31	6.04	66.44
Additional benefit of Planting Subsidy ...	0.68(a)	0.57(b)	1.50	16.50
	5.94	2.88	7.54	82.94

(a) Tax free subsidy on the basis of attributing the *total* subsidy (all instalments) to a single year.

(b) After off-setting current benefits. (See Appendix).

4. It will be seen that, on the basis of the Industry's performance throughout India in 1967, the nett relief on Export Duty and Excise Duty which will accrue to the Industry in a full year after adjustment of taxation, is as little as Rs. 2.31 crores, which is the equivalent of 6.04 paise per kg. of total production, or Rs. 66.44 per hectare under tea.

5. By comparison, the estimated loss of revenue to the Industry in 1968, on account of (i) the actual price decline to

date, (ii) the devaluation of Sterling and (iii) unavoidable increases in production costs, is as follows:—

TABLE II

(See Appendix for method of computation)

	Total estimated loss on annual production	Total Nett Loss	Nett loss per kg.	Nett loss per hectare
	(Rs. Crores)	(Rs. Crores)	(paise)	(Rs.)
1. Fall in revenue on account of price decline and Sterling devaluation (68 paise per kg)	26.00	11.47	29.99	329.89
2. Increase in the cost of production (esti- mated at 14.24 paise per kg in 1968 over 1967)	5.59	2.46	6.44	70.84
Total	31.59	13.93	36.43	400.73

It will be noted that the Industry's nett loss, after off-set of taxation savings, is Rs. 13.93 crores, which is the equivalent of 36.43 paise per kg. or Rs. 400.73 per hectare under tea. The nett relief in Duties per kg. of tea produced is, therefore, only about 16% of the nett loss of revenue incurred since Sterling devaluation in November 1967. Indeed, the total nett relief in Duties of 6.04 paise per kg does not cover the unavoidable increase in production costs over the past year, amounting to 6.44 paise nett per kg. (see Tables I and II respectively) and, therefore, makes no impact on the losses on account of declining price levels and devaluation of Sterling, both of which total almost 30 paise per kg, nett of taxation (see Table II).

6. It is accepted that the Industry has also been awarded welcome relief in the form of a replanting subsidy but in practice this does not yield immediate material benefit. As will be seen from Table I, even if all the instalments of the subsidy had been payable in a single year, the impact on costs would only be 1.5 paise per kg. Indeed, in the absence of more meaningful relief in Duties, the Industry may find it difficult to take advantage of the replanting subsidy, in view of the crop losses which are entailed by uprooting preparatory to replanting.

7. The Consultative Committee welcomes and endorses the Commerce Ministry's recently published statement that Export Duties should not be maintained solely for the purpose of national revenue and without regard to the economic impact on the Industry concerned. However, the Committee has also noted from the rejoinder, lately published in the Press, that a contrary view is held in other quarters of Government, where it is assumed that relaxation of Export Duties on traditional exports is likely to result in a lowering of the unit value of such exports, thus undermining the value of the Rupee.

8. The Consultative Committee believes that export contracts in certain industries specify that any variation in duty is to the debit or credit of the overseas buyer, in consequence of which any reduction in duty will automatically imply a corresponding reduction in gross receipts in India from overseas sales. However, the Committee wishes emphatically to reiterate that this does not apply to the Tea Industry, which does not market its produce under a contract system, but sells by auction on a free commodity market. Under the latter system of selling, duties imposed on the producer have no bearing on the prices paid, which are governed solely by the law of supply and demand in given ranges of quality.

9. As evidence of the foregoing, the following table sets out the Indian tea price averages at the main overseas auc-

tion centre (London), before and after all recent duty amendments. (Any direct comparison of price averages before and after a reduction in duty may, of course, only reflect the normal seasonal pattern of price growth and decline, attributable to the variation in the quantities and qualities offered for sale at different times of the season. To give an accurate picture therefore, the following table examines the extent to which prices for Indian teas in London were operating above or below the level of the corresponding period in the previous year prior to the reduction in Duty, and the extent to which this varied following the reduction in Duty).

TABLE III
PRICE AVERAGES FOR INDIAN TEAS AT LONDON
AUCTION BEFORE AND AFTER RECENT REDUC-
TIONS IN DUTY

(See Appendix for method of computation)

Effective Reduction in Duty	Before Reduc- tion in Duty per kg.	After Reduc- tion in Duty per kg.
	Rs. p.	Rs. p.
<i>11.11.66 : Export Duty reduced by 50 p. per kg on average weighted London price</i>		
Sale Averages: 1966	8.22	9.25
Corresponding Sale Averages: 1965	8.52	8.12
Difference in 1966	- 0.30	+ 1.13

25.5.67 : *Export Duty rebate
by 2½ p. per kg.*

Sale Averages: 1967	7.82	9.77
Corresponding Sale Averages: 1966	8.02	8.77
Difference in 1967	- 0.20	+ 1.00

7.2.68 : *Export Duty reduced to 20% ad valorem yielding nominal relief only*

Sale Averages: 1968	8.48	7.38
Corresponding Sale Averages: 1967	9.03	7.74
Difference in 1968	- 0.55	- 0.36

1.10.68 : *Export Duty reduced by 11 p. per kg. and Excise Duty reduced by 9.5 p. per kg. on weighted average production. Total reduction in Duty 20.5 p. per kg.*

Sale Averages: 1968	7.92	9.06
Corresponding Sale Averages : 1967	10.10	10.74
Difference in 1968	- 2.18	- 1.68

10. If the effective reduction in „Duties had been reflected in price, the difference between the price average prior to the reduction and that of the corresponding period of the previous year, could have been expected to widen adversely in the period following the Duty reduction and, indeed, to have widened to the extent of the reduction effected. However, this did not happen in any single instance. On the contrary, in all cases the differential between the two years *improved* in the period following the reduction in Duty. Similar figures cannot be presented for sales at the Calcutta and Cochin auctions of teas purchased for export, as separate price averages for such sales are not maintained. However, there is nothing in the overall price

averages at these auction centres to suggest that prices react adversely to reductions in Duty; prices at both Calcutta and Cochin have, for example, advanced following the most recent reduction in Duty (on 1.10.68), both in actual terms and in comparison with the previous season. Consequently, there is no evidence or risk that reduction or abolition of either Export Duty or Excise Duty will have any direct effect whatsoever on unit values earned.

11. In practice, and as was graphically illustrated in the Consultative Committee's letter No. 6202 of the 14th May, 1968, the only factor which can further depress unit values of tea exports is a greater expansion in the volume of world exports to the international tea market than can be immediately absorbed by that market. The Committee must assume that this fact has not been appreciated in those official quarters responsible for the recent statement that abolition of Export Duty might lead to further depression in unit value of exports, since otherwise the statement might be deemed an admission that this Duty is inhibiting expansion of India's export volume. However, there is indeed very real evidence, as disclosed in the following table, that the total burden of Duty on the Tea Industry is, in fact, having this precise effect:

TABLE IV
EXPORT PERFORMANCE OF INDIAN TEA INDUSTRY
FOR PAST FIVE YEARS
(Source: Tea Statistics)

<i>Year</i>	<i>Total Exports Million kgs.</i>	<i>Total Exports as Percentage of Total Production</i>	<i>Remarks</i>
1963	223.54	65%	
1964	210.52	57%	Impact of substantial increases in Excise Duty in 1963.

1965	199.37	54%	
1966	179.21	48%	Devaluation of Rupee/Introduction of Export Duty.
1967	213.70	56%	Impact of Reductions in Export Duty in November 1966 and May 1967.
1968 (upto Sept)	132.70	45%	Impact of Sterling Devaluation in November 1967, unrelieved by corresponding reduction in Duties.

12. The normal upward trend in basic production costs, in itself affects the degree of competitiveness of the Indian Tea Industry on the international tea market, but the factor which has the largest impact on the production cost trend, and therefore on the export effort, is the level of Duty prevailing—in terms of both Excise Duty and Export Duty. It will be noted from the above table that all the important swings in export performance are directly related to the prevalent level of Duties and that the higher the Duties in relation to the potential return from export sales, the greater the inhibiting effect on the export performance. Conversely, the response of the Industry to any significant abatement of duties will be apparent from the performance in 1967. (See Appendix note).

13. While the Consultative Committee would support any reasonable endeavour to stabilise international prices for tea by international agreement on regulation of export volume, they feel certain it cannot be Government's wish that India should by the effect of her Duties, be acting unilaterally in this direction. Such a course only penalises the Indian Tea Industry whilst benefiting its competitors overseas and, inevi-

tably, it is the East and Central African countries, where levels of Duty are nominal only, which are the main beneficiaries of curtailments in India's tea exports:

TABLE V
EXPORT PERFORMANCE OF EAST AND CENTRAL
AFRICAN TEA INDUSTRY IN PAST FIVE YEARS
(Source: J. Thomas & Co. Statistics)

<i>Year</i>	<i>Total Exports Million kgs</i>	<i>Increase/De- crease on previous year, Million kgs.</i>
1963	45.58	-
1964	49.61	+ 4.03
1965	52.21	+ 2.60
1966	67.28	+ 5.07
1967	58.27	- 9.01
1968 (upto Feb*)	8.36	+ 2.60

(*latest figure available; the gain shown for 1968 is in comparison with the exports of the corresponding two months of 1967).

14. It is important to note from a comparison of Tables IV and V that the most significant gains in African exports have been in the years when there were the most significant declines in Indian exports (1964, 1966 and 1968), whilst the only year in which African exports declined (1967) corresponds to the only year in which Indian exports increased.

15. The picture in respect of Ceylon is that, in 1965, she captured from India the position of the world's premier tea exporter and has held it since. With the adjustment in exchange rates and taxes which Ceylon effected immediately following devaluation of Sterling in November 1967, she gained a further competitive advantage over India, which must inevi-

tably ensure that she will hold and possibly further improve her dominant position in the world export market.

16. Until such time, therefore, as the Indian Tea Industry is put in an economic position to compete fairly and effectively with other producing countries, there is no prospect of restoring India's share of the world tea trade to its rightful position, or of halting the regular and substantial gains at India's expense which are being made by competing countries, particularly those in East Africa.

17. It has hitherto been suggested in official quarters that even if India were to abolish Export Duty entirely and also allow a total drawback of Excise Duty on exports, Indian producers could still not compete with their counterparts in Africa. It has now been ascertained that this position, whilst once correct, is no longer true: the effect of higher freight rates since the closure of the Suez Canal and the alteration in exchange rates in November 1967 have combined to increase the cost to African producers of landing their teas on the main international markets. In consequence, if the Indian producer were now freed of Export Duty and Excise Duty, he could in most cases land his teas overseas at approximately the same cost as his East African competitor.

18. The combined effect of abolition of Export Duty and drawback of Excise Duty on exports would, therefore, be to enable the Indian Tea Industry to compete fairly and effectively with all her principal competitors overseas. More specifically, it will be apparent from the following table that abatement of Duties to this extent is the minimum necessary to restore the economy of the Indian Tea Industry to that prevailing prior to Sterling devaluation in November 1967, and therefore is the minimum necessary to ensure restoration of the relatively satisfactory export performance achieved by the Indian Tea Industry in 1967;

TABLE VI
NETT CURRENT ANNUAL LOSS OF REVENUE* BY
THE INDUSTRY

	Gross	Nett after tax	Nett after Tax	
	(Rs. Crores)	(Rs. Crores)	per kg. (paise)	per hectare (Rs.)
Total loss of Revenue since 1967 (vide Table II of this letter)	31.59	13.93	36.43	400.73
Less relief granted on 1.10.68 (vide Table I) including the assessed value of the re-planting subsidy.	5.94	2.88	7.54	82.94
Nett current loss	25.65	11.05	28.89	317.79

ADDITIONAL RELIEF REQUIRED TO OFFSET ABOVE

(See Appendix for method of computation)

	Total Gross Relief	Total Nett Relief after Taxes	Nett Relief after Taxes	
	(Rs. Crores)	(Rs. Crores)	per kg. (paise)	per hectare (Rs.)
Abolition of Export Duty (amount accruing to the producers)	14.03	6.10	15.94	175.34
Drawback of Excise Duty on Exports *	11.01	4.78	12.50	137.50
Total additional relief necessary to restore parity with 1967	25.04	10.88	28.44	312.84

(*NOTE: To the extent that it may be impracticable to devise a scheme which ensures that the drawback of Excise Duty, accrues only to those who pay the Duty, i.e. the producers, and not in certain cases to buyer-exporters, an alternative to the recommended drawback which would afford the same economic benefit to the Industry, would be a general reduction in excise Duty of 60% on all production).

19. The Consultative Committee therefore considers it has been demonstrated that the modifications in Duties recommended above are :—

- (i) the minimum necessary to restore the economy of the Indian Tea Industry to that prevalent prior to Sterling devaluation in November 1967 :
- (ii) the minimum necessary to ensure that the Indian Tea Industry can compete effectively with other producing countries and are consequently the minimum necessary to ensure that India's tea export performance is restored to the optimum.

20. The Consultative Committee further considers that there is little risk that modification of Duties to the extent recommended will induce an export performance in excess of the optimum, *i.e.* a greater volume than can be absorbed by the international market without further depression of unit values. In the first instance, the relief recommended is, as stated, sufficient only to restore India's competitiveness to that prevalent in 1967, in which year the export volume was increased at a gain in unit value. Secondly, the proved inherent strength of the expanding internal market in India acts simultaneously as a controlling factor on export volume in excess of optimum and, consequently, as an indirect but important factor in support of world unit prices.

21. In any event, the Committee wishes to reiterate the view that the unilateral regulation of exports by India, which is effectively achieved by the current taxation structure, cannot be in the national interest and that a re-entry of the Indian Tea Industry into the world market, on a fully competitive basis, would not only act as a major inducement to India's competitors to come to terms on an international agreement for regulation of world tea exports, but would simultaneously place India in a position of strength in the negotiation of the terms of any such agreement.

APPENDIX

EXPLANATORY NOTES ON TABLES

*Table I : Nett Effect of Relief Granted on 1.10.68***1. Abolition of special Excise Duty**

Total gross relief figure has been obtained by applying the rates of relief for each Excise Zone to the zonal production figures of 1967.

The all India weighted rate of Central Income Tax and Agricultural Income Tax was calculated by first weighting the tax rates of Sterling and Rupee companies in each State by their respective productions and then by weighting the individual State tax rates again by the production figures of each State. The tax rate thus computed on the total performance of the Industry is 55.90%.

2. Increase in the Export Duty Rebate

The additional rebate of 11 paise per kg. in case of consignment teas, comes down to an effective rate of 9.17 paise due to the special method of assessing duty for such teas. The total gross relief figure was obtained by applying the full 11 paise rebate on direct exports other than to London auctions and by applying 9.17 paise on the quantity consigned to London auctions. In the case of teas exported by merchants after being sold at the Indian auctions, it is assumed that only half the total relief, or 6 paise per kg, will accrue to the producers through the prices obtained.

These figures were applied to the export totals for 1967, the breakdown being as follows:—

	<i>in million kg.</i>
Consigned to London auctions	81.4
Private sales and forward contracts	13.8
Other exports	118.5
Total	213.7

The all India weighted tax rate applicable to the additional income arising from the increase in the Export Duty rebate, was obtained in the following manner. Firstly, in each individual State, tax rates for Sterling and Rupee companies were weighted with the production figures for Sterling and Rupee Sectors. Secondly, these average tax rates were weighted with the volume of export from each State. Thus the figure of 56.55% was arrived at which can be taken as the all India average rate of taxation *applicable to export income*.

3. Replanting Subsidy—Extent of Relief

As the extent of replanting ordinarily carried out in the Hills is negligible, the rate of subsidy applicable to the Plains has been assumed for the purposes of calculation of total subsidy payable and although the subsidy is payable only by instalments over 5/6 years, the total amount ultimately attributable to the area replanted in a given year has been allocated to that year.

The latest figures in Tea Statistics show that 1937 hectares replanting was carried out in 1965/66. The total subsidy on this area will come to Rs. $3500 \times 1937 =$ Rs. 68 lakhs (approximately).

This subsidy being tax free will not be added to income. Equally, it is anticipated that the total cost of replanting, irrespective of subsidy, will be allowed as a permissible expenditure to be deducted from income.

As far as Development Allowance is concerned, if the tea companies spent the total sum of Rs. 68 lakhs from their own resources, they would have been allowed to claim a 30% development allowance on this amount. In other words, their taxable income would have been reduced by 30% of Rs. 68 lakhs, or Rs. 20.4 lakhs. At the average all India rate of taxation (55.90%) the tax relief would have amounted to Rs. 11.4 lakhs. But under Section 33A of the Income Tax Act develop-

ment allowance cannot be claimed on any cost which has been met directly or indirectly by any other person or authority. Hence nett relief on account of this subsidy is Rs. 68 lakhs less Rs. 11 lakhs or Rs. 57 lakhs:

Table II : Loss Incurred by the Industry.

1. Industry's Loss due to Fall in Prices

To calculate the average loss due to fall in prices in 1968 as compared to 1967, the three auction centres London, Calcutta and Cochin were considered. For London, average auction prices for North and South India were compared for the period 1st January to 20th September, taking account of the fall in rupee earnings in 1968 due to devaluation. For Calcutta and Cochin, prices, exclusive of Excise Duty, for both leaf and dust, were taken. Full note has thus been taken of the improving trend of prices at the local auction centres.

A combined average weighted price was obtained for London, Calcutta and Cochin. The figures show that while the average price was Rs. 6.51 per kg. in 1967, it has dropped to Rs. 5.83 per kg. in 1968.

This loss of 68 paise per kg, if applied to the 1967 total production figure of 382 million kg, comes to approximately Rs. 26.0 crores. This loss will result in a reduction of the taxable income of the Tea Industry and hence a saving of tax. At the average rate of tax, viz., 55.90%, the saving in tax will amount to Rs. 14.5 crores.

Hence the nett loss will amount to Rs. 11.5 crores.

2. Increase in the Cost of Production

The trend in the increase in average cost for both North India and South India over the last 10 years has been projected and the resultant weighted average increase from 1967 to 1968 for the whole of India is estimated at 14.24 paise per

kg. Nett loss was determined after taking account of the saving of tax due to the increase in revenue expenditure on account of the increase in costs, at the average rate of tax, viz. 55.90%.

Table III: London Auction price Averages

For the purpose of ascertaining the effect of duty relief on prices, London auction prices for both North and South India were averaged from the beginning of the year upto the date when the relief was announced, and from the date of the announcement upto the end of the year. Corresponding averages for the previous year were also computed and compared with the figures of the relevant year. The difference between the figures of the relevant year and the previous year eliminated the seasonal effects and an accurate comparison of trend was obtained.

Thus :

- (i) In respect of the relief granted on 11th November, 1966, the trend is computed on:

The difference between the sale averages from 1st January to 10th November, 1966, and the sale averages from the 1st January to 10th November 1965

—COMPARED WITH—

The difference between the sale averages from 11th November to 31st December, 1966 and the sale averages from 11th November to 31st December, 1965.

- (ii) A similar exercise was effected for the relief granted on 25th May, 1967.
- (iii) For the relief granted on 7th February, 1968, the exercise was again similar, except as the year has not yet concluded, the post relief averages have been taken up to the final London sale of the 1967/68

North India crop (July, 1968). For purposes of comparison with the previous year, account has also been taken of the fact that London sales in the first half of 1968 were operating 4 weeks in arrears of those in the first half of 1967, owing to the Suez Canal closure in June 1967. The comparison has therefore been drawn with the *corresponding* sales of the previous season.

- (iv) In the case of the relief granted on 1.10.68, only two sales of significant quantity of new season's teas had taken place in London prior to the date of relief, whilst only two sales have so far taken place since that date. The pre and post-relief sale averages are therefore, in each case, of two sales only (compared with the corresponding two sales, in each case, in the previous year).

Although statistically speaking, the samples are too small in this instance to yield a significant comparison, a trend can be seen.

For the ease of comparison, the original prices in terms of Shillings and Pence per lb. have, in all cases, been converted to Rupees and Paise per kg., at the current rate of exchange.

NOTE ON PARAGRAPH 12

A temporary improvement in India's export performance in the period May to August 1968 should not be seen as running counter to the arguments in this paragraph. When India auction prices reacted downwards in parallel with the international market, on the effect of Sterling devaluation, cheap teas became available at the Indian auction centres and buyer-exporters consequently stepped up their purchases in India, although possibly at no monetary benefit to the country. However, the inherent strength of the Indian internal market

is such that prices at the local auctions have now recovered to some extent and exports in September have again reverted to the pattern of decline prevalent up to April this year.

Table VI: Additional Relief Recommended

1. ABOLITION OF EXPORT DUTY

(a) *Average Export Duty payable on direct exports.*

Average London auction price per lb for North and South India in the full year 1967	= 52.62d
Price as above upto 20.9.67	= 48.06d
Increase in average price in the period 20.9.67 to 31.12.67	= 4.56d
Average price per lb for North and South India upto 20.9.68	= 46.57d
Plus estimated increase on basis of 1967 actuals	= 4.56d
Estimated price per lb for the full year 1968	= 51.13d

OR Rs. 8.45 per kg

Export duty at the revised rate payable on Rs. 8.45 per kg. after deduction as allowed by the Customs for provisional assessment is Rs. 0.97 per kg.

(b) *Average Export Duty payable on merchants' exports following purchase at Indian auctions.*

Working on the same principles as above the weighted average price for Calcutta and Cochin auctions inclusive of Excise Duty comes to Rs. 5.80 per kg. for 1968.

Export duty payable comes to Rs. 0.81 per kg.

(c) *Estimated Relief.*

Assuming (a) that the annual pattern of exports is the same as in 1967, i.e. 95.2 million kg. direct exports and 118.5 million kg. other exports, and (b) that the effect of abolition of Export Duty on merchant exports following purchase at the Indian auctions, will mean half the relief accruing to the producers,

the total gross relief is

95.2m. kg	×	Rs. 0.97	=	Rs. 9.23 crores
118.5 m. kg	×	Rs. 0.405	=	Rs. 4.80 crores
Total				<u>Rs. 14.03 crores</u>

Taxation at the average rate on export income (56.55%) will leave a nett relief of Rs. 6.10 crores.

2. *Drawback of Excise Duty on Exports*

The total gross relief on account of the drawback of Excise Duty on exports was obtained in the following manner: firstly the zonal Excise Duty rates were weighted by the zonal export figures to arrive at the figures of 51.50 paise per kg. which is the all India weighted Excise Duty payable on exports. Secondly, this average rate was applied to the total export figure of 213.7 million kg. in 1967 to yield a gross relief of Rs. 11.01 crores. Tax at the average rate on export income of 56.55% was deducted to get the nett relief figure of Rs.4.78 crores.

REPLANTATION SUBSIDY SCHEME

Copy of the Indian Tea Association circular no. 177 dated 28th November, 1968.

I attach for the information and attention of members copies of the Tea Board's Circular No. 15(8)DTD/68/7126 dated the 22nd November, 1968, and the accompanying Replantation Subsidy Scheme.

Sd/- A. T. Robertson,
Secretary.

Copy of Circular No. 15(8)/DTD/68/7126 dated 22nd November, 1968 issued by the Tea Board to All Producers Associations.

Government of India have considered the requirements of tea industry for long term development in the context of the need for greater exports and the demand for consumption of tea within the country. They are of the view that it is a matter of urgency now for the industry to take effective measures to enhance the productive efficiency of the tea industry and to maintain and improve its competitive ability in the international market. An important step in this direction would be the replantation of old, overaged tea bushes which are past their economic life with newly developed planting material, giving better quality teas, higher yields, and having other desirable characteristics.

2. During the last few years, replantation has been carried out at the rate of about .6% of the total area under tea. Government consider that for a healthy growth of the industry this rate should go up to 2% per year and in order to assist the industry in achieving the desired rate of replant-

ation it has been decided to introduce a scheme of subsidy for replantation. A copy of the detailed scheme, as it has been worked out, is enclosed with this letter. Replantation being a long-term process, the scheme has been conceived initially on a 5-year basis.

3. The rate of subsidy provided for in the scheme is Rs. 3,500/- per hectare and Rs. 4,500/- per hectare in case of the tea estates in the plains and the hills respectively. The subsidy would be admissible for replanting area covered by bushes over 50 years of age, provided they are uprooted after 1st October, 1968 in accordance with the procedure laid down in the scheme. The planting material to be used must be of the approved variety. It would be necessary, therefore, for the tea estates desirous of availing the Replantation Subsidy to maintain proper records of the date of planting various sections or blocks, and for the Producers' Associations, to take steps for adequate supply of the approved planting material at a reasonable price to all concerned.

4. It would be noted that normally applications will have to be submitted between 1st April and 30th June in respect of an area on which replantation operations are to commence in the period April—March of that financial year. However, for the current year applications will be received up to 31st December, 1968. I have to request you, therefore, to give widest publicity to the scheme amongst your constituents.

5. The Tea Board would also like to request for your co-operation in the successful implementation of the scheme so that the desired objective is achieved in the shortest possible time. If you have any suggestions to offer for improvement in the implementation of the scheme, you may kindly forward them to the Secretary, Tea Board.

REPLANTING SUBSIDY SCHEME

Government have considered the requirement of the tea industry for long term development in the context of estimated requirement of tea for export and internal consumption and find that it is necessary for the industry to take urgent steps to enhance its productive efficiency and competitive ability. An important step in this direction would be the replantation of old, overaged bushes with the newly developed planting material. In order to assist the tea industry in replacement of such bushes Government have approved of a scheme for grant of subsidy for replantation.

2. The objective of the scheme is to help the industry in achieving a replantation rate of 2% of total area under tea by making use of the recently developed planting material giving higher yields of better quality tea and having other desirable characteristics.

3. Tea estates registered with the Tea Board shall be eligible for grant of replanting subsidy at the rates prescribed in para 9. Subsidy will be admissible with regard to areas under tea which may be or may have been uprooted on or after 1st October, 1968 subject to other conditions being fulfilled as laid down below.

4. Tea estates shall submit their applications to the Chairman, Tea Board, in the form given in Annexure I and during the period specified in para 6 below, before commencement of replantation. The application shall be accompanied by a map of the tea estate showing the area under tea and the area proposed to be replanted, a statement showing the date of planting of each section, area to be replanted, age of bushes and yield thereof, schedule of various operations in the programme of replant-

ation covering a five year period in respect of the area for which subsidy is applied for and such other particulars as are indicated in the application form.

5. There will be no limit to the area in respect of which tea estates may apply for grant of subsidy in one year. However, since overall subsidy will be provided for 2% of the total area under tea in a year, initially area equivalent to 2% of the applicant tea estate's area under tea will be eligible for the grant of subsidy. After all applications have been considered and if sufficient funds are still available with the Tea Board, grant of subsidy in respect of areas of applicant tea estates in excess of 2% will be considered by the sanctioning authority. Where the tea estate is planning to continue with replantation programme on a long-term basis, it may indicate the area proposed to be taken up for replantation year-wise.

6. Applications for the grant of subsidy in respect of an area to be uprooted during any financial year
Time for submission: (April—March) shall be submitted to the Chairman, Tea Board, between 1st April and 30th June of that year.

Provided that applications in respect of areas uprooted/to be uprooted on or after the 1st of October, 1968 up to 31st March, 1969 shall be submitted to the Chairman, Tea Board, by the 31st December, 1968.

7. The Chairman, Tea Board, shall be the sanctioning authority for the grant of subsidy under the scheme. The Chairman may, however, delegate such powers as he may consider necessary to the Deputy Chairman and Director of Tea Development, Tea Board.
Sanctioning Authority:

8. A tea estate aggrieved by any decision of the sanctioning authority in connection with any matter coming within the purview of the scheme may submit a petition in writing to the Chairman, Tea Board, within 30 days of receipt of intimation of such
Petition for Review:

decision, for a reconsideration of the decision. The petition must state clearly the grounds on which reconsiderations of the decision is applied for. The Chairman's decision on the question as to whether the grounds stated in the petition justify a reconsideration of the case shall be final and no further petition shall be entertained against any decision given by the Chairman after reconsideration of the case.

9. The subsidy shall be payable at the rate of Rs. 3,500/- per hectare for tea estates in the plains and
Rate of Subsidy : Rs. 4,500/- per hectare for tea estates in the hills in 5 and 6 instalments respectively as indicated in para 14 below :—

The classification made by the Central Board of Direct Taxes in respect of hill areas, vide Notification No. S. O. 1526 dated the 18th May, 1966, shall be followed in determining whether the applicant tea estate is located in the plains or the hills.

10. The subsidy will be payable to a tea estate only
Conditions for grant of subsidy : for replanting areas covered with tea bushes which are of or over 50 years of age.

11. Applicant tea estate must also undertake to fulfil the following minimum standards covering the preparation of land, choice of planting material and minimum planting standard in order to qualify for receipt of subsidy :—

- (a) the tea estate shall 'replant only with the planting material approved by the Tea Board. The Board has approved the planting material—seeds and clones—mentioned in the Annexures II and III for North-East and South India respectively for the purpose of this scheme. These lists will be revised from time to time as necessary and the following categories of planting material would be considered for being approved :—

- (i) Clones and seeds released by the TRA in respect of North-East India, and UPASI in respect of South India, as suitable for planting in the area in which the tea estate is situated, and all propagations from such materials.
 - (ii) Clonal material produced by individual tea companies and tea estates which have been proved over a period of at least five years as being suitable for planting by tea estates located in the area where the clones were developed or in other areas having similar soil and climatic conditions.
 - (iii) Seed obtained from tea seed growers registered with the Tea Board, provided the seed is suitable for use in the area in which the tea estate is situated.
 - (iv) Clones and seeds developed by the tea estate itself where the tea estate can, by production of records of field trials satisfy the Tea Board as to the suitability of the material in respect of which the Tea Board may invite the views of the TRA and/or UPASI Research Station.
- (b) After uprooting the old tea, the applicant tea estate shall rehabilitate the soil for a period of not less than 9 months from the date of uprooting which should include the use of suitable green crop or mulch for proper conditioning of the soil. For this purpose any of the green crops mentioned in Annexure IV may be used:—
- (c) Tea estate shall replant not less than 10 000 bushes per hectare, subject to limitations of topography etc.
12. In sanctioning the applications, such other conditions regarding care of land, soil conservation measures, drainage, shade, maintenance and general upkeep of the tea estate may be

prescribed, as are considered necessary for full benefit from replantation to accrue and to ensure that the general condition of the tea estate is such that the benefit of replantation would not be nullified by other factors, and subsidy may not be granted till the sanctioning authority is satisfied that necessary corrective measures have been taken by the applicant tea estate.

13. The Chairman, in his absolute discretion, may allow upon application of a tea estate whose application for subsidy has been approved, to make alterations in its schedule of uprooting tea bushes and replanting. The tea estate may then carry out the replantation according to the revised schedule after it has been so approved and the terms and conditions of the agreement as referred to in para 16 shall apply to the revised schedule.

14. The tea estate shall allow access at any time to any official of the Tea Board or any other person(s) Inspection: so authorised by the Chairman, Tea Board, in this behalf, to visit the tea estate and inspect the tea estate and records and books of accounts in respect of the area for which subsidy has been applied for or claimed and verify the progress of replanting in conformity with the approved programme.

15. The subsidy will be disbursed in 5 instalments in the case of a plains tea estate and 6 instalments in the case of a hill tea estate. The instalments of Method of dis-bursement: subsidy shall be as indicated below:—

<i>Instalment</i>	<i>Plains Garden</i> (Per hect.)	<i>Hill Garden</i> (Per hect.)
	Rs.	Rs.
1st	1,500/-	1,800/-
2nd	1,100/-	1,200/-
3rd	400/-	500/-
4th	400/-	500/-
5th	100/-	400/-
6th	—	100/-
	<hr/> 3,500/- <hr/>	<hr/> 4,500/- <hr/>

16. Before disbursement of the first instalment of the subsidy the tea estate shall execute an Agreement as in Annexure V to the scheme.

17. In case of areas to be uprooted on any date subsequent to 31st March, 1969, the tea estate shall commence uprooting the bushes after receiving intimation of approval of the application from the Tea Board. On completion of uprooting, the first instalment of subsidy will be paid after an Officer of the Board or any other person(s) authorised by the Chairman in this behalf has inspected the site and certified that the area to be replanted has been uprooted.

18. The 2nd instalment of the subsidy as indicated in para 14 shall be payable to the tea estate on receipt of claim that the land has been replanted along with a survey map of the area replanted drawn up by an accredited surveyor or patwari or Karnam or Mondol (village Revenue Officer) and after the authorised Inspector has inspected the area and certified that replanting has been carried out according to the conditions laid down in the scheme.

19. In case of any discrepancy between the area replanted as shown in the survey map and the area uprooted on the basis of which the first instalment of the subsidy has been granted, necessary adjustments in respect of such discrepancy shall be made in the second and subsequent instalment of the subsidy.

20. On completion of one year after replanting, the third instalment of subsidy shall be paid after the authorised Inspector has inspected the area and certified that the replanted area has been satisfactorily maintained and infillings duly carried out.

21. The 4th instalment of subsidy shall be paid not earlier than 12 months from the date of the 3rd inspection and

the 5th and, where applicable, the 6th instalment of subsidy shall be paid not earlier than 24 and 36 months respectively from the date of 3rd inspection.

22. The Chairman, Tea Board, may at his discretion direct the payment of an instalment of subsidy to be withheld if he is satisfied that the applicant tea estate has not fulfilled any of the conditions laid down or that the money paid to the tea estate earlier has not been utilised fully for the purpose for which it was given or if the maintenance of the area thus replanted is poor as a result of which many vacancies have occurred. The Chairman may require that the area replanted should be maintained adequately and all infilling work done before further areas are taken up or other conditions as originally laid down in sanctioning the application is fulfilled to his satisfaction, before payment of any instalment or instalments of subsidy.

23. If the Tea Estate shall fail to commence, continue, or complete the Replantation Programme in the manner set out in the Scheme or if the Tea Estate shall use the monies paid as subsidy for purposes other than that for which the same had been paid or if the Tea Estate shall fail to observe or perform any of the terms and conditions laid down in the said Scheme or any modification thereof the Chairman of the Tea Board may by order in writing after giving an opportunity to the Tea Estate to explain the breach or default complained of require the Tea Estate to refund to the Board the entire amount paid as subsidy or such portion thereof as he may think fit with interest thereon at the rate of 6% per annum from the date of payment of each instalment upto date of repayment and in this respect the decision of the Chairman as to whether a breach or default has been committed and the amount to be refunded shall be final and binding on the Tea Estate.

24. In the event of the Chairman directing inspection to be carried out by person or persons other than officials of the Board, the tea estate shall pay to the Inspecting Officer or Officers such fees as may be approved by the Board.

25. If before replantation has been completed the Tea Estate sells or otherwise transfers the tea estate in respect of which subsidy has been granted the said Tea Estate shall refund to the Tea Board all monies paid as subsidy and shall not be entitled to any further payment from the Tea Board. The Tea Board may in its absolute discretion relax the foregoing provision to such extent as it thinks fit in case the transferee of the tea estate executes an agreement within such time and in such form as the Tea Board may direct undertaking to complete the replanting in terms of this agreement and scheme and to be bound in all respects by this agreement and the said scheme. The purchaser or transferee of the Tea Estate shall be at Liberty to make a fresh application under the Replanting Subsidy Scheme for the balance of the subsidy.

26. The Chairman, Tea Board, may from time to time make such amendments to the scheme as he may consider necessary for its efficient execution and fulfilment of its objectives.

ANNEXURE—J

TEA BOARD

APPLICATION FOR GRANT OF REPLANTING
SUBSIDY

1. Name of Estate.....Registration No.
P. O.....District.....State.....
2. Registered Address of the
Owners of the Estate
3. Name of Company or
Proprietors.....
4. Application is hereby made for the grant of replanting
subsidy for the year ending 31st March, 19 , in res-
pect of the above-mentioned estate for the following
area/s:

Section Number, Initial or Name (if any)	Division Name or Number (if any)	Age of the Sec.	Area/s to be uprooted in hectares (cor- rect to two decimal pla- ces)	Current An- nual yield of each area to be uprooted (in kgs. per hectare)*	Annual Yield of total regis- tered area of estate (in kgs. per hectare)*

(*Quote Yields for latest full season)

5. Total area to be uprooted.....hectares.
6. Total current registered area under tea of
estate as at 31st March.....
immediately preceding the date of
application hectares.

7. Tea production of the above area during the calendar year immediately preceding the application.....hectares.
8. Percentage of total current registered area, which is to be uprooted :.....%
9. Is the estate classified as a hill estate or plains estate vide Government Notification No. S.O. 1526 dated 18th May, 1966 HILL/PLAINS ESTATE.
10. A sketch map/tracing of the garden survey map of the area/s proposed to be uprooted is attached.
11. Is the soil fit for replanting.....
Attach a soil analysis report,
where available. attached/not attached
12. *Schedule proposed to be followed for replantation:*
 - (a) Date of commencement of uprooting.....
 - (b) Approx. period of rehabilitation of soil.....
 - (c) Type of green crops proposed to be used.....
 - (d) Date of commencement of replanting.....
- 13.(a) Variety of planting material proposed to be used.....
 - (b) Source of supply.....
14. (i) The estate proposes to replant the area at a bush population of.....plants/hectare
(ii) Proposed spacing will be.....
15. (a) How is the initial expenditure on replantation proposed to be met.....

- (b) Has any loan been taken for proposed replanting from Tea Board, A.R.C. or other sources. If so indicate source and the amount.....

(Evidence of financial ability of the company to undertake replanting to the extent proposed will be produced; if required by the Tea Board.)

16. Amount of subsidy applied for.....
17. (a) Is it proposed to continue replanting operations over a number of years
- (b) if so, indicate area proposed to be uprooted in the next five years. Also demarcate area in the map supplied at Serial No. 3.

Year	Garden Section No.	Area in hectares	Age of Sec.
1968-69	_____	_____	_____
1969-70	_____	_____	_____
1970-71	_____	_____	_____
1971-72	_____	_____	_____
1972-73	_____	_____	_____

I/We hereby certify that the figures and other particulars given in the application are correct and that they can be authenticated from the records of the estate or company. I/We also certify that the areas under tea nurseries and seed bari are not included in the area stated in item No. 5 of the application.

Place_____

date_____

Signature _____

(Applicant/s)

Owner/Manager/Secretary/Mg. Agent(s).

Note :— (i) All areas should be indicated in hectares.

- (ii) Applications duly completed should reach the Tea Board Office by 30th June for area to be uprooted in the year April-March; except for 1968-69, the applications for which should reach the Tea Board by 31st December, 1968, in respect of areas uprooted/to be uprooted on or after 1st October, 1968 and upto 31st March, 1969.

For use in the Office of the Tea Board

Serial No. _____

Date of
receipt _____

Accepted for _____ area for the year _____
subject to the conditions regarding cultural practice and
rehabilitation of land etc. prescribed in the Replanting Subsidy
Scheme.

Signature _____

Date _____

Applicant informed, *vide*

letter No. dated

ANNEXURE II

*List of Approved Planting Material**Tocklai Clones*

Clone No.	Clone old No.	Type of Clone	Plains & Darjeeling below 1000m Non-Droughty	Plains & Darjeeling below 1000m Droughty	Darjeeling above 1000m
T. V. 1	19.29.13	Standard	Yes	Yes	Yes
T. V. 2	20.23.1	„	Yes	No	No
T. V. 3	1.7.1	„	Yes	Yes	No
T. V. 4	20.6	„	Yes	Yes	No
T. V. 5	20.7	„	Yes	No	No
T. V. 6	61.4	„	Yes	No	No
T. V. 7	14.9	China	No	No	Yes
T. V. 8	3.77	Yield	Yes	Yes	No
T. V. 9	106.1	„	Yes	Yes	No
T. V. 10		Standard	Yes	Yes	No
T. V. 11		„	Yes	Yes	No
T. V. 12		„	Yes	Yes	No
T. V. 13		„	Yes	No	No
T. V. 14		„	Yes	Yes	Yes ?
T. V. 15		Yield	Yes	Yes ?	No
T. V. 16		Standard	Yes	Yes	Yes ?
T. V. 17		„	Yes	Yes	Yes ?

ANNEXURE II—(Contd.)

Suitable Estate Clones or Seeds generally available on the market (List incomplete)

Company	Clone or Seed Stock	Type of clone or Seed Stock	Plains & Darjeeling below 1000m Non-droughty	Plains & Darjeeling below 1000m Droughty	Darjeeling above 1000m
J.T.C.L.	S. 3A/1		Yes	Yes	No
	S. 3A/3		Yes	Yes	No
	T. 3E/3		Yes	Yes	No
	S. 3A/5		Yes	Yes	No
	250		Yes	Yes	No
	272		Yes	Yes	No
Octavius Steel	17/1/54	Standard	Yes	Yes	?
Jokai Assam	P. 126A P. 32 P. 7		Yes Yes Yes	Yes Yes Yes	Yes ? Yes ? Yes ?
Jardines					
Gingia	Stock 203	Manipuri	Yes	Yes	No
Central Dooars	"	"	"	"	"
Rydak	"	"	"	"	"
Baradighi	"	"	"	"	"
Duklingia	"	"	"	"	"
James Finlay					
Kakajan	"	"	"	"	"
James Warren					
Dhelakhat	"	"	"	"	"
McLeod & Co.					
Tingamira	"	"	"	"	"

ANNEXURE III

Approved clones for South India

A. *U.P.A.S.I. Selections :*

SP/4/5
SP/4/6
B/4/141
B/4/142
B/5/63
B/5/214
B/5/163
B/6/15
B/6/24
B/6/25
B/6/34
B/6/36
B/6/61
B/6/62
B/6/127
B/6/129
B/6/137
B/6/174
B/6/182
S/6/99
BC
GW—I

B. *Craigmore Estate Selection :*

Craigmore 6017

C. *Sutton Estate Selections :*

SL/2/68
SL/5/36

D. *Chamraj Group Selections :*

C-1
B-83

ANNEXURE -IV

*List of Approved Species of Temporary and Permanent
Shade Trees for N.E.I.*

A. *Permanent Shade Tree Species*

Albizzia odoratissima

.. *lebbek*

.. *amara*

.. *coriaria*

.. *zygia*

Acacia lenticularis

Dalbergia sericea

Derris robusta

B. *Temporary Shade Tree Species :*

Indigofera teysmanii

Albizzia chinensis

Glyricidia sepium

• *Leucaena glauca*

• *Albizzia falcata*

.. *lucida*

C. *Shade Trees for South India :*

1. *Grevillea robusta.*

2. *Acacia decurrens.*

3. *Acacia elata.*

4. *Erythrina eithosperma.*

5. *Gliricidia maculata.*

6. *Albizzia stipulata.*

7. *Crotolaria agatiflora.*

ANNEXURE—V

AN AGREEMENT made this day of 196
BETWEEN the TEA Board, a body corporate established by
the Tea Act, 1953 (Act XXIX of 1953) having its office at
No. 14, Brabourne Road in the town of Calcutta hereinafter
called the "BOARD" (which term shall unless excluded by
or repugnant to subject or context be deemed to include its
successor or successors) of the One Part AND
a Company incorporated under the Indian Companies Act
Companies Act, 1956
and having its registered office at _____

_____ in the state of _____

_____ or _____

_____ a partnership firm registered under the
Partnership Act and carrying on business at

_____ in the town of _____ or a

Society registered under the Co-operative Societies Act and
having its principal office at

_____ or _____
residing at _____ son of

_____ in the town of _____

_____ son of _____

residing at _____ in the town of _____

being the owner (s) of a tea garden in the district
of _____ in the State of _____ hereinafter

called the "TEA ESTATE" (which term shall unless excluded
by or repugnant to the subject or context be deemed to include its
successor or successors/partner or partners for the time being
and the heirs executors administrators of a deceased partner/

heirs executors administrators or representatives) of the Other Part :

WHEREAS

(A) In order to assist the tea industry to enhance its productive efficiency *inter-alia* by replantation of old tea bushes over 50 years of age with recently developed planting material giving higher yield of better quality of tea and having other desirable characteristic so that tea production is improved to meet the demand, and the cost of production is reduced, the Tea Board has evolved a replanting subsidy scheme, a copy whereof is hereto annexed and marked with the letter "A" which is hereinafter called the subsidy scheme.

(B) The Tea Estate has applied for subsidy to the Board under the said subsidy scheme and has undertaken to observe and perform all the terms and conditions of the said scheme and to be bound by the said scheme or such modification thereof as may be made from time to time by the Board.

(C) The Board has sanctioned a subsidy of Rs. for uprooting of tea bushes and replanting the area in the tea garden of the tea estate of which a map or plan is hereto annexed and marked "B" and thereon bordered red with developed planting materials as provided in the said subsidy scheme on the terms and conditions contained therein.

(D) The Tea Estate has accepted the said subsidy on the terms and conditions contained in the said subsidy scheme and the terms and conditions hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH and it is hereby agreed between the parties as follows :

1. The Tea Estate undertakes to replant the area shown in the map or plan hereto annexed and marked "B" and thereon bordered red in its tea garden at

in the State of _____ in the manner
and on the terms and conditions laid down in the said Subsidy
Scheme or any modification of the said Scheme as may be
made by the Tea Board.

2. The Tea Estate also agreed to commence, continue
and complete the re-plantation at the time and in the manner
laid down in the scheme and to observe, fulfil and perform all
the terms and conditions mentioned in the said Scheme on its
part to be observed and performed or any modification thereof
and the same shall be deemed to be a part of this said agree-
ment as if the same had been fully set out herein.

3. In addition to the terms and condition contained in the
said Scheme the Tea Estate agrees that the amounts of subsidy
paid from time to time by the Board to the Tea Estate shall
be used by the Tea Estate only for the purposes set out in the
scheme in the area sanctioned by the Board and in the manner
and on the terms and conditions laid down in the said scheme
or for reimbursement of expenses already incurred for the said
purposes with the approval of the Board and for no other
purpose whatsoever.

4. If the Tea Estate shall fail to commence, continue or
complete the Replantation Programme in the manner set out
in the Scheme or if the Tea Estate shall use the monies paid as
subsidy for purposes other than that for which the same had
been paid or if the Tea Estate shall fail to observe or perform
any of the terms and conditions laid down in the said Scheme
or any modification thereof the Chairman of the Tea Board
may by order in writing after giving an opportunity to the Tea
Estate to explain the breach or default complained of require
the Tea Estate to refund to the Board the entire amount paid
as subsidy or such portion thereof as he may think fit with
interest thereon at the rate of 6% per annum from the date of
payment of each instalment upto date of repayment and in this

respect the decision of the Chairman as to whether a breach or default has been committed and the amount to be refunded shall be final and binding on the Tea Estate.

5. If before replantation has been completed the Tea Estate sells or otherwise transfers the tea estate in respect of which subsidy has been granted the said Tea Estate shall refund to the Tea Board all monies paid as subsidy and shall not be entitled to any further payment from the Tea Board. The Tea Board may in its absolute discretion relax the foregoing provision to such extent as it thinks fit in case the transferee of the tea estate executes an agreement within such time and in such form as the Tea Board may direct undertaking to complete the replanting in terms of this agreement and scheme and to be bound in all respect by this agreement and the said scheme. The purchaser or transferee of the Tea Estate shall be at liberty to make a fresh application under the Replanting Subsidy Scheme for the balance of the subsidy.

6. If the Tea Estate shall observe and perform the terms and conditions contained in the Replanting Subsidy Scheme and in this agreement in the manner therein and herein contained and observe and perform the terms and conditions thereof the Board shall pay or cause to be paid to the Tea Estate the subsidy from time to time in the manner and on the terms and conditions specified in the Replanting Subsidy Scheme.

IN WITNESS WHEREOF the common seal of the Tea Estate has hereunto been affixed the day, month and year first above written.

The Common Seal etc.

or

Signed and Delivered etc.

Accepted on behalf of the Tea Board.

TEA BOARD
REPLANTATION SUBSIDY SCHEME

FIRST INSPECTION REPORT

Name of Tea Estate _____

Regd. No. _____

District _____

As requested in Tea Board's letter No. _____ dated _____ we the undersigned have personally inspected the _____ Tea Estate on _____ in order to verify the progress of replantation. We have seen the relevant records of the tea estate and have inspected on the spot the area in respect of which subsidy has been claimed by the Estate. The inspection was carried out in the presence of the Manager Shri _____

2. We hereby certify that tea bushes have been uprooted from Sections/Blocks Nos. _____ covering an area of _____ hectares. The area has been identified with the survey map available at the estate. The records of the estate establish that the bushes were over 50 years of age having been planted in the year _____

3. The work has been carried out satisfactorily in terms of the sanction for subsidy conveyed in Tea Board's letter No. _____ and the conditions of the Replantation Subsidy Scheme.

(1) _____

(2) _____

Manager of the Estate

(211)

CLAIM FORM

(To be submitted in duplicate by company for each estate separately)

From:

To:

The Secretary,
Tea Board,
14, Brabourne Road,
Calcutta—1.

Dear Sir,

Subject: Subsidy Scheme for Replantation.....

Tea Estate... .. Registration No.....

District.....

With reference to your letter No.———dated ——
———conveying the sanction of the Chairman, Tea
Board, to grant of my/our application for subsidy for
replantation I/we have to submit the following claim for
payment in terms of the subsidy scheme:—

The number of instalment for which claims submitted.	Area approved for replanta- tion.	The stage to which the work has been completed.	Date of com- pletion of work as in col. 3.	Total amount claimed.
(1)	(2)	(3)	(4)	(5)

Yours faithfully,

For_____

Date _____

(212)

FOR USE IN TEA BOARD'S OFFICE :

Date of receipt of claim _____

Inspection Report Ref. No. _____

Claim admitted for Rs. -----

Signature_____

Paid by cheque No._____dated_____ and forwarded

to applicant vide letter_____ dated _____

BHOOTHALINGAM COMMITTEE

Copies of the memoranda dated 25th July and 6th November, 1968 submitted by the Indian Tea Association to the Central Board of Direct Taxes, New Delhi, giving its comments on Mr. S. Bhoothalingam's Final Report on Rationalisation and Simplification of the Tax Structure.

NOTE DATED 25TH JULY, 1968.

1. *Principle of Progression in tax rates (para 5.5, page 19)*

It has been rightly observed in the Report that the principle of progression in tax rates can have no place in company taxation. The proposal that this practice should be discontinued is welcomed. In this connection, the Tea Industry would like to draw attention to the progressive rates applicable to Agricultural income in Assam. The tea companies have to pay Agricultural Income Tax on 60% of their business income and in Assam the tax rates vary from 45% to 60% according to the size of income. This is bad in principle as a larger income does not mean a larger return on the capital invested.

2. *Discriminatory Taxation for foreign companies (para 5.6 page 19)*

Mr. Bhoothalingam admits that the higher tax rates on foreign companies have been imposed not so much for reasons of principle but solely for administrative reasons. This discrimination is made as personal taxes are not realisable from recipients of distributed profits. It is however submitted by the Association that this disregards the financial resources of the company as distinct from its shareholders and it is strongly emphasised that the present taxation practice places the foreign company at a very considerable disadvantage in the matter of reinvestment of profit in the capital development of their estates. Having regard to the fact that the

productivity and export performance of foreign tea companies have in the past generally compared favourably with those of their domestic counter-parts, the present taxation practice is tending to detract from the national interest as much as from the interest of foreign companies themselves.

One other iniquity relating to taxation of foreign tea companies may also be mentioned. Tea has been classed as one of the priority industries and as such domestic tea companies are entitled to a concession which is a straight reduction of 8% of the profits in computing their taxable income. Thus for a domestic tea company the effective rate is 50.6% as against the standard rate of 55% for other domestic companies not in the priority list. There does not seem to be any justification for not giving this concession to foreign tea companies who are also in the priority sector as distinct from other foreign companies. Thus, there is in effect a double discrimination against foreign tea companies.

3. *Dividend tax and Surtax (paras 5.7, and 5.8, pp. 19).*

It is satisfactory that the Dividend tax has been abolished in the 1968 Budget. But the Surtax remains, only its rate has been reduced from 35% to 25%. Mr. Bhoothalingam strongly feels that Surtax in its present form or in any minor variant of it cannot appropriately constitute a part of the long-term tax structure. He emphasises that Surtax in effect introduces the progressive principle which, while eminently appropriate in the case of individuals as reflecting both capacity to pay and social justice, is completely inappropriate in the case of impersonal organisations. He points out that this tax penalises the more effective use of capital whereas the more important and social objective should be to secure the best and most productive use of capital.

It is hoped that Surtax will be abolished in the 1969 Budget.

4 *Depreciation (paras 5.13 to 5.16, pp. 24-27)*

Mr. Bhoothalingam's recommendation that depreciation should be allowed in such a way that over a period of years 20% more than the original cost would be provided for, is a reasonable one. This proposal takes into account the inevitable rises in replacement cost over the years. He also suggests that the simplest way of doing so would be to increase the original cost by 20% initially at the time of inclusion in the depreciation schedule. This is also a good suggestion. The Association feels, however, that the suggested addition of 20% may not be sufficient for plant or machinery with a longer life and this additional rate should go up in appropriate cases.

Mr. Bhoothalingam gives a classification of items for the purpose of depreciation allowance and includes motor cars in the 15% category. However, in view of the conditions prevailing in the tea districts, motor vehicles operating there do not have a long life. The Association, therefore, recommends that, as a measure of rationalisation, depreciation on tea estate vehicles should be allowed at the rate of 20% on a "straight line" method.

5. *Development Rebate (para 5.17 to 5.19, pp. 27-29)*

Mr. Bhoothalingam has suggested the withdrawal of development rebate as he thinks that this incentive creates a tendency to use capital a little too liberally, even wastefully.

The Association disagrees with the view expressed by Mr. Bhoothalingam. Development Rebate is not only a good incentive towards rapid industrialisation but also an immense help where lack of capital stands in the way of proper development. As far as the tea industry is concerned, installation

of new plant and machinery is of supreme need in view of the high production targets envisaged in the Five-Year Plans. Without this welcome incentive it is extremely doubtful whether the tea companies will be able to modernise themselves with up-to-date equipment in order to keep abreast of the competing countries.

6. *Export Incentive Rebate (para 5.20, page 29)*

Mr. Bhoothalingam is of the view that relief in direct taxation is not a suitable means of encouraging exports and should not be resorted to until other and better methods are exhausted. Though the Association generally agrees with this view, nevertheless it would advocate such reliefs in special cases. It is necessary here to say a few words about the situation faced by Indian tea to-day as far as exports are concerned. Tea is a major foreign exchange earner for India. But due to gradually rising costs and falling sale prices in the overseas markets, it has become unprofitable to sell overseas and exports have gradually declined. The devaluation of the rupee in 1966 provided an incentive but only after the stiff rate of export duty was liberalised at the end of 1966. In 1967, as there was a reasonable profit margin, exports improved considerably. But in November, 1967, the £ Sterling was devalued and in the main London international market, the ruling sale price fell below the cost of Indian tea and consequently exports declined considerably in the beginning of 1968. To make the selling of Indian tea in the overseas markets profitable again, either the abolition or a drastic reduction of the export duty on tea is necessary. But if this is considered impracticable for one reason or another, other suitable incentives should come in the form of drawback of Excise Duty and/or tax free tax credit certificates. This latter benefit was enjoyed by the tea exporters prior to devaluation and there does not seem to be any reason why this could not be re-introduced in order to boost tea exports.

7. *Capital as a tax base for companies (para 5.24 to 5.27 pp. 32—34)*

The proposal to tax capital used in the business at an initial rate of 1%, with a simultaneous reduction of income tax by 10%, is a novel proposal. This proposal needs careful study and detailed examination. However, prima facie it seems that a tax unrelated to profit or loss made will have a harsh impact on uneconomical industrial units. In this connection, the taxation procedure of tea companies should be mentioned. Tea companies are taxed by the Central Income Tax on 40% of income while the State Agricultural Income tax rates are applicable on the rest, i.e. 60% of income. Mr. Bhoothalingam's proposal that with the imposition of a tax on capital there should be a simultaneous reduction of Central Income Tax by 10%, does not specify whether the State taxation rates should also be reduced. In the absence of any such agreement with the State Governments, this new proposal will be unfair to the tea industry.

8. *Dividends from Companies having agricultural income (para 11.1, pp. 47-48)*

Under Section 235 of the Income Tax Act the recipients of dividends from companies which pay agricultural income tax are entitled to relief. Mr. Bhoothalingam recommends that this relief should be withdrawn. The Association does not consider that this would be a step towards rationalising the tax structure as traditionally agricultural income is kept separate from business income. As 60% of the tea companies' income is subject to agricultural income tax, it is submitted that instead of the tax on dividends being calculated on the entire dividends, it would be rational to allow a rebate at source on that portion of the dividends arising from the company's agricultural income.

9. The "Tax Year" and the payment of tax in instalments (para. 14.1 to 14.15, pp. 56—65).

The Association generally welcomes the proposed introduction of the 'pay as you earn' system to replace the present system of advance collection of taxes, but does not think that the uniform tax year proposed, i.e. July to June, will be particularly suitable for the Tea Industry. In point of fact, the very reason mentioned by Mr. Bhoothalingam in paragraph 14.6 viz., that certain seasonal industries and businesses will have genuine difficulty if their accounting year closes on a date during periods of high activity, is particularly applicable to the tea industry in North East India where the production season is April to December.

Most of the tea companies go by the accounting year January to December. Although Mr. Bhoothalingam suggests that, as an inferior alternative, everyone may be allowed to choose his accounting year, his later suggestion regarding the dates of payment of P.A.Y.E. tax (para 14.15, p. 64) does not appear to be suitable to the tea industry, whose production season and sales start from April.

It is submitted that for the tea industry the dates of payment should be as prescribed for units whose accounting years commence between 1st February and 30th April.

INDIRECT TAXES

Note Dated 6th November, 1968

1. *Excise Duty (paras 3.1 to 3.14, pp 4-14).*

(a) *Mr. Bhoothalingam's general approach*

The Association welcomes Mr. Bhoothalingam's general approach towards rationalising the current system of levying excise duties on commodities. It is most desirable that a system of excise duties should be devised which will reflect the growth of production more or less automatically and obviate the need for frequent changes in rates. It has been the unfortunate experience of the Tea Industry to witness gradual increases in excise duties on tea, the rates having changed no less than five times since the zonal system was introduced in September, 1958. Consequently, the total revenue earned from excise duties on tea increased from Rs. 4.71 crores in 1958/59 to Rs. 24.90 crores in 1967/68, a rise of more than 500%. This phenomenal rise, when compared to the growth in production during the same period by some 18% and a meagre rise of 21% in the auction prices in the Calcutta market together with a fall of 7% in the London auctions, vividly shows how far out of line the increases in the excise duties have been from the suggestions made by Mr. Bhoothalingam that the system should reflect the growth in production and should be related to its value.

(b) *Exclusion of certain commodities from General Excise Duty*

The Association is of the opinion that if a new system is to be introduced, it should be made applicable to all commodities. It is disappointing to note that Mr. Bhoothalingam proposes to exclude tea along with 13 other commodities from the purview of the General Excise Duty, and that too on a more or less long-term basis, on the grounds that the continuance of

some of the existing duties is required for both revenue and policy reasons.

As far as policy reasons are concerned, Mr. Bhoothalingam cites the case of tea where the excise duty, according to him, is meant, in part at least, to act as a restraint on consumption so as to make it more available for export. While this is perhaps true for other commodities the excise duty on which is refunded on export, it does not hold good for tea which does not enjoy the benefit of drawback, and export teas are at par, as far as this duty is concerned, with teas sold for domestic consumption. Hence policy reasons should not stand in the way of rationalising the system.

Revenue considerations prompted Mr. Bhoothalingam to list 14 commodities which are the higher revenue yielders for the purpose of the Commodity Excise Duties. It may be noted that in order of revenue earned, Tea's position is thirteenth in the list while coffee occupies the last position. The fourteen commodities listed yield a total revenue of Rs. 924 crores (1966/67) of which Tea's contribution is less than 2%. Thus revenue cannot be regarded as a primary consideration in the case of Tea or Coffee, and if Mr. Bhoothalingam's scheme of General Excise Duty were made applicable to Tea, it is unlikely that there would be any substantial fall in revenue.

(c) *The Scheme of General Excise Duty put forward by Mr. Bhoothalingam*

It has been proposed that the General Excise Duty should be levied at a rate of 10% *ad valorem* on the value of production minus the value of all materials bought in for the purpose of production but not the value of equipment or services.

This Scheme is by nature discriminatory. There are some industries which, by the very nature of their operations, utilise equipment and services proportionately more than others and

buy in very little in the way of materials. This is particularly so in labour-intensive industries. Hence such industries will be at a disadvantage, as with lower deductions the duty payable will be higher although the value of production in their case may be the same as others whose production components are mainly obtained from outside. The tea industry is one such industry where labour and machinery are the major contributors to the cost of production.

The Association is of the opinion that the very nature of the Scheme, which envisages individual assessments in each particular case to determine the permissible deductions for the purpose of arriving at the assessable value runs contrary to the ideas of simplification put forward by Mr. Bhoothalingam, in the field of Direct Taxes, where he advocates a standard deduction so as to do away with minute investigations which do not yield benefits commensurate with the time and trouble involved.

Mr. Bhoothalingam in paragraph 3.7 of his Report estimated that his suggested rate of 10%, after deductions, will amount to three to four per cent of the gross value of production. The Association suggests that a rate of 4% be levied on the gross value of all production, thus effecting a major simplification. Tea, being a comparatively minor revenue earner, should also be subject to the General Excise Duty with the suggested rate of 4%.

(d) *Excise Duty on Tea—the imperative need for reform*

The growth of excise duty on tea has been phenomenal, as shown in paragraph (a). The Association endorses Mr. Bhoothalingam's opinion that there is a clear limit to the process of increasing the excise duty rates for the purpose of raising more revenue and that in the case of many commodities this limit has perhaps been reached already.

The recent relief given to the industry in the form of exemption from the special excise duty is welcome but this was

not done in an attempt to rationalise the system. The zonal rates, of specific duties have become a dead-weight, neither conducive to the expansion, of exports nor helpful towards the creation of funds needed for urgent development.

The zonal system of excise duties on tea imposed in 1958/59 was intended to reflect the zonal price averages and even then discriminated against those manufacturers who, because of local factors beyond their control, produced teas which sold at prices significantly lower than the zonal average. Since then, due to the *ad hoc* increases and progressive compression of the price differentials between zones, any merit the original scheme may have had has been completely lost and the rates have become unduly harsh in certain zones.

The higher rates of duties prevailing in zones producing higher quality teas are in effect a tax on efficiency, and moreover this introduces a principle of progression which, as Mr. Bhoothalingam commented in another context, is completely inappropriate in the case of impersonal organisations.

2. Customs Duties (paras 4.1 to 4.4, pp. 14-16)

The Association generally agrees with the comments made by Mr. Bhoothalingam on 'drawback' of duties but considers in this context that 'drawback' of excise duty on exports which is allowed for other industries should be made applicable to tea.

Mr. Bhoothalingam has not discussed the problem of the levy of export duties in his Report and it would have been profitable to have his suggestions regarding the simplification of the current procedure of assessing export duties. However, the Association is of the opinion that the export duty on tea, which was re-imposed concurrently with the Rupee devaluation, should now be abolished. This duty was imposed for the stated purpose of "mopping up" supposedly

excessive returns accruing arbitrarily on tea exports from the alteration in Rupee/Sterling exchange rates. However, the subsequent devaluation of Sterling (coupled with an international price decline) has since more than nullified the supposed benefits, so that Export Duty is now operating as a severely restrictive factor on tea exports. The extent of this may be gauged from the fact that in 1967 (prior to Sterling Devaluation in November of that year) tea exports were running at 56% of production; subsequent to Sterling devaluation and up to September, 1968, they have been running at only 45% of production.

COMMITTEE ON LABOUR WELFARE

A copy of the Questionnaire issued by the Committee and the Indian Tea Association's reply thereto.

QUESTIONNAIRE

The Questionnaire is intended to elicit the views of employers/unions/State Governments/organisations/individuals, etc. It is not necessary for them to answer all the Parts or all the questions in a particular Part though the Committee would welcome their views on as many of the subjects as they may like to deal with.

PART I

INTRODUCTORY

1. (i) Name of the person/undertaking/organisation/State etc.
(ii) Full postal address.
2. Please state the Central Organisation of Employers/
Employees to which your unit/organisation is affiliated,
if any.
3. If it is an undertaking, please state—
 - (a) Nature of industry with which you are connected (As
per the list of industries attached at Annexure I):
 - (b) Total* number of persons employed as on 1st
January, 1967;
 - (i) Number of direct workers employed as :
Permanent
Temporary
Casual
Others

*In the case of seasonal factories the figure should be daily average of the latest season. In the case of industries like plantations where employment fluctuates throughout the year, the figure should be average for the whole year.

(ii) Number of contract workers, if any, employed as :

Permanent

Temporary

Casual

Others

(c) year-wise†labour cost during 1962, 1963, 1964, 1965 and 1966††(separately for** workmen and officers);

(d) amount spent on labour welfare †† year-wise during 1962, 1963, 1964, 1965 and 1966†† (separately for workmen and officers);

(e) what is the annual average expenditure per employee on labour welfare and what percentage does it bear to the total labour cost per employee?

(f) what is the annual average expenditure on all employees on labour welfare and what percentage does it bear to the total cost of production?

4. (a) Have you any labour welfare scheme of your own in your unit? If so, please append a copy of the same.

(b) Has any Government agency or non-Government research body ever reviewed or studied the working of labour welfare facilities provided in your unit? If so, please supply a copy of the study/report.

† Labour cost comprises wages (basic and D. A.), premium for overtime and late shifts, bonuses (profit bonus, incentive bonus and attendance bonus), social security contributions (both obligatory and non-obligatory), subsidies, expenditure on welfare amenities (both statutory and non-statutory) and other payments (both in cash and kind).

If your accounting/financial year does not coincide with the calendar year, please give information for your accounting/financial year corresponding to the calendar years specified above.

For the purposes of this Questionnaire the definition of workmen will be as given under the Industrial Disputes Act, 1947.

- (c) Has the unit implemented the recommendations of the reviewing body mentioned in (b) above?

SCOPE OF LABOUR WELFARE MEASURES

5. Do you consider that the content of the term 'Labour Welfare' as defined in the I.L.O. Resolution 1947* can be enlarged further to cover a wider sphere of welfare activities? If so, please indicate the extent to which it could be enlarged.
6. (a) Provisions in the statute book pertaining to labour welfare apply only to undertakings employing more than a specified number of workers. Do you consider that the existing limits are justified?
- (b) If not, what changes would you suggest in the minimum number of workers prescribed for provision of different facilities (canteens, creche, etc.)?

PART II

WELFARE FACILITIES INSIDE THE ESTABLISHMENT

Canteens and Mess Rooms—

7. (a) Does the unit provide any canteen(s) for the employees?
- (b) If so, what is the number of canteens, total seating accommodation in all canteens, and their working hours (especially during night-shifts, if any);

*The nearest definition of labour welfare is given in the I.L.O. Resolution 1947, which stipulates: "Such services, facilities and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from work and for the accommodation of workers employed at a distance from their homes, and such other services, amenities and facilities as contribute to improve the conditions under which workers are employed". However, the concept of welfare is flexible and differs from time to time and even from undertaking to undertaking. Information regarding expenditure on labour welfare amenities may, therefore, be furnished in respect of all such items as are construed to be labour welfare amenities in your unit.

- (c) Please indicate whether the canteen service is satisfactory.
- 8. (a) Are the items in the canteen(s) sold on a no-profit-no-loss basis/at market price/at a subsidised rate?
 - (b) If the items are sold at a subsidised rate, what is the extent of subsidy?
 - (c) Is there any system of providing free lunch or snacks to workers?
 - (d) Is there any arrangement for serving workers tea or snacks at their work place? If so, specify details.
- 9. (a) Is/are the canteen/canteens run by the employer/Canteen Managing Committee/Workers' Co-operative Society/Contractors?
 - (b) Indicate the manner in which the canteen service is financed.
- 10. What type of canteen facility is available to workers dispersed over wider work areas?
- 11. Is there any system of inviting suggestions to improve the working of the canteen(s)?
- 12. Is the existing number of canteens adequate for all the workers in the area? If not, how is their demand met?
- 13. Whether the canteens are fully patronised by workers? If not, is it due to lack of sales on credit? Should credit sales be provided for in the statute with, of course, permissible deductions from wages? If the latter, give details of the arrangements.
- 14. (a) Are the guiding principles, specifications and standards laid down in the law for maintaining the canteen(s) adequate?

- (b) If not, what modifications would you suggest?
15. Apart from the canteen(s), is there any mess room or other suitable place where workers can prepare/heat up their meals?
16. (a) Is the existing Inspectorate adequate for ensuring the observance of the legal provisions in respect of Questions 14 and 15?
- (b) If not, what changes would you suggest to make the Inspectorate more efficient?

Creche—

17. (a) What is the total number of women employees in the unit?
- (b) Is there any creche in the unit to take care of the children of the women workers?
- (c) If so, is the creche situated near the work place in congenial surroundings? Is it properly maintained, equipped and staffed?
- (d) What is the capacity of the creche?
- (e) What is the average daily number of children attending the creche?
- (f) Is the creche maintained exclusively for the unit, or jointly catering for the neighbouring units too? If the latter, specify details of the arrangement.
18. Are the children attending the creche supplied with clothes, milk, refreshments, etc. ?
19. What is the annual expenditure on the cheche in the unit?

20. (a) What improvements would you suggest in running the creche?
- (b) Do you consider that along with the creche there should be provision of nurseries/kindergarten classes for the education of workers' children?
- (c) If so, should such classes be confined to children attending the creche or be extended to children of workers in the unit generally?

Fair Price Shops—*

21. (a) Is any fair price shop run in the premises for the benefit of the employees?
- (b) If so, what are the commodities sold?
- (c) How do the prices charged compare with the prevailing market rates?
- (d) Is the shop run on non-profit basis?
22. Is the fair price shop financed wholly by the employers or partly by the employers and partly by the employees†?
23. What other facilities have been provided by the employers for the fair price shop?

Other facilities—

24. (a) Is supply of drinking water at the work-place adequate?
- (b) Are arrangements for conservancy and sanitation at the work-place satisfactory?
- (c) Are first-aid boxes/rooms and ambulances at work-places provided?

*See also separate question (No. 44) on Cooperative Stores.

†In case the shop is financed partly by the employers and partly by the employees, the extent of the cash subsidy towards the selling price of articles, assistance like accommodation, supply of water and electricity, managerial subsidy, working capital loan etc. granted by the employer should be specified.

PART III

WELFARE FACILITIES OUTSIDE THE ESTABLISHMENT

Transport Facilities—

25. (a) Is there any suitable arrangement in the unit for parking of workers' vehicles (roofed cycle stands, etc.)?
- (b) Are there suitable arrangements for looking after their safety? Is any charge levied by the Management? If so, please give details thereof.
- (c) What is the percentage of workers coming from long distances say—
- (i) over two miles
 - (ii) over five miles
 - (iii) over ten miles

and what are their modes of transport?

- (d) What arrangements, if any, have been made by the unit or establishment for the transport of workers from their place of residence to the work-place and back?
- (e) Where such transport is provided, what are the charges, if any?
26. Give your opinion on :
- (a) The adequacy or otherwise of the public transport services,
 - (b) Securing necessary changes or improvements in transport services,

- (c) Staggering times of starting and closing of units to minimise workers' difficulty in regard to transport.
- (d) Payment of transport allowance to workers residing at long distance and principles governing the same.

Medical and Health Facilities—

(Question Nos. 27 and 28 are to be replied only in respect of facilities not covered by the E.S.I. Scheme).

- 27. (a) What arrangements exist for providing outdoor and indoor medical facilities in the unit or jointly with other units to workers and their families ?
 - (b) and at what cost?
 - (c) Is there any system of sharing the expenditure on treatment between employers and workers?
 - (d) Is there any arrangement for domiciliary treatment?
If so, specify details.
 - (e) Is there any arrangement for specialists, or specialised treatment in case of persons suffering from serious ailments or T.B., venereal diseases, cancer, leprosy, mental diseases? If so, give details.
 - (f) Are dentures, spectacles, artificial limbs, etc. supplied or fitted free of cost or on payment or part-payment?
If on part-payment, indicate details.
 - (g) Give details about maternity and child welfare centres in the unit, if any.
28. Are there arrangements to investigate and treat the occupational diseases?

29. (a) What is your opinion regarding setting up of sanatoria, health resorts, clinics and rest homes in places known for salubrious climate such as sea shores, hill stations, and places gifted with specific curative properties like sulphur springs to help promote the health of working class people and industrial efficiency?
- (b) If you favour these measures, please elaborate your views and submit outlines for a scheme. If any of these facilities are available to workers of your establishment, please append details of the same.

Family Planning—

30. (a) Are there any arrangements in the unit to—
- (i) furnish information on family planning;
 - (ii) supply contraceptives free or otherwise;
 - (iii) perform sterilization, I.U.C.D. insertions;
 - (iv) give rewards for sterilization; and
 - (v) promote child welfare?
- (b) What is the reaction of the workers to the family planning programme?
- (c) Does the unit get any assistance under the Family Planning Scheme?

Educational Facilities—

31. (a) What educational facilities are available to the children of the workers?
- (b) Indicate concessions given to them regarding tuition fees, books, stationery, mid-day meals etc.
- (c) Offer suggestions to improve the educational facilities available to the workers' children.

32. (a) Are existing arrangements to impart adult education to workers satisfactory? If not, what changes and improvements do you suggest ?
(b) Should any incentive be given to workers to make them more interested in receiving education ?
33. Should adult education for workers be made compulsory under law ? Which agency should be made responsible for it ?
34. Should any scheme of spreading literacy among industrial workers be extended to adult members of the workers' family also ?
35. What role would you assign to the Workers Education Board in any scheme of adult education for industrial workers and their families ?

Recreation Facilities—

36. (a) What are the recreation facilities provided in the unit and availed of in welfare centres/workers clubs ?
(b) Are these facilities satisfactory and adequate: Are they provided free ?
(c) Do you favour legislation in this sphere of labour welfare ?
37. How are these facilities financed and administered ? Can you offer suggestions for their improvement ?
38. Are there any special institutions such as the Garh Kalyan Kendra to impart training to women workers during off-hours in crafts, music, dancing etc. to supplement their family income ?

39. (a) Offer your views on the utility and practicability of arranging sight-seeing visits, conducted tours etc;
- (b) What agencies would be required to cooperate and in what manner, if these schemes are to be put through successfully ?
- (c) How should the cost on them be financed ?
- (d) Are Health Weeks, Welfare Weeks, etc. organised to arouse the workers' enthusiasm regarding the welfare measures being undertaken for them and to ensure better participation on their part ?

Housing—

40. (a) Is there any housing scheme for workers in the unit ?
- (b) If so, what is the percentage of workers covered by it?
- (c) What is the percentage of workers who have reasonably good accommodation of their own. of those who have some unsatisfactory accommodation and of those who are without accommodation?
- (d) Is there any phased expansion programme to provide accommodation to more employees ? If so, what is the percentage of workers to be covered during the next five/ten/fifteen years taking into consideration the expansion programme of the industry ?
41. (a) Is there any workers' cooperative house-building society?
- (b) How far have the workers succeeded in their co-operative effort ?
- (c) What assistance have the employers given to workers to build their own houses ?

42. (a) Are the existing housing facilities provided to workers of adequate standard*? If not, please give your suggestions for improvement.
- (b) Is any rent being charged for these houses from workers? If so, is the rent subsidised to any extent? Are there any other charges recovered from the workers for occupation of these houses? Give details.
- (c) What arrangements exist for the maintenance and repairs of these houses? Are they satisfactory?
43. Give your opinion, with suggestions for modifications, if any, on the different housing schemes formulated by the Government which you are availing of.

Cooperative and Saving Facilities—

44. (a) Is there any registered cooperative store in the unit for the benefit of the workers?
- (b) If so, what is its membership, owned assets (share capital and reserves), total working capital and annual turn-over?
- (c) What are the essential commodities † sold by the Store?
- (d) Is it running at a loss or ineffectively? If so, indicate reasons and suggest possible remedies.
- (e) Give details of assistance, if any, given to the store by the employer by way of share capital contributions, clean credit facilities, working capital loan, accommodation free or at a nominal rent, managerial subsidy, facility of recovering dues by deduction from the wages of workers, transport facilities etc.

*i. e. floor space, number of rooms, bath-room and kitchen facilities, water tap, court-yard, etc..

†Includes food-grains, textile, pulses, cooking medium, kerosene oil, baby food and washing soap.

- (f) Indicate to what extent the employer is participating in the management of the store.
45. (a) Is there any co-operative credit society in the unit ?
(b) If so, what is its membership, owned assets (share capital and reserves), total working capital and annual turn-over ?
(c) To what extent an interest free loan or loan at nominal interest is provided by the employer ?
(d) How far has the credit society succeeded in meeting the demands of the workers ?
(e) What is the rate of interest charged by the society on the loans made ?
(f) Is it running at a loss or ineffectively ? If so, indicate reasons and suggest possible remedies ?
(g) Give details of assistance, if any, given to the society by the employer by way of share capital contributions, clean credit facilities, working capital loan, accommodation free or at a nominal rent, managerial subsidy, facility of recovering dues by deduction from the wages of workers.
(h) Indicate to what extent the employer is participating in the management of the society.
46. Are there any arrangement made by the employer to receive saving deposits from the employees? Please specify the arrangements and the rate of interest paid.

Distress Relief and Cash Benefits—

47. (a) Do you favour provisions for relief in case of distress like death, injury, sickness, etc. and for felicitation grants in case of marriage, etc. ? If so, indicate the manner of administering the same.
(b) Is there any system of making festival advance ? If so, what is the scheme ?

PART IV

GENERAL

48. (a) Review the existing administrative arrangements for implementing welfare measures at the unit and at the State level.
(b) The role and status of Welfare Officer has been a matter of some controversy; some persons hold that he should be statutorily protected and he should not deal with personnel matters ordinarily, unless the establishment was too small to have a separate Personnel Officer; others hold that a Welfare Officer can be effective only as long as he enjoys the confidence of the employers and any statutory protection encroaches on that confidence. What is your opinion?
49. Are the workers participating in the administration of welfare amenities? If so, how?
50. Are the guiding principles, specifications and standards adequately laid down in the law for providing sanitary and hygiene facilities, rest facilities, first-aid and medical care facilities, facilities for women workers (creche etc.) etc.?
51. (a) Is the existing Inspectorate adequate for ensuring the observance of the legal provisions pertaining to labour welfare?
(b) If not, what changes would you suggest to make the Inspectorate more efficient?
52. (a) Do you favour a basic minimum of welfare amenities in all industries, whatever be the economic position or nature of organisation? If so, please spell out what this minimum should be.

- (b) Should there be any uniformity in the percentage that expenditure on labour welfare should bear to the total labour cost in all industries irrespective of their economic position, state of development, organised or unorganised nature etc. ?
53. To what extent do welfare amenities in your unit help in improving labour efficiency and labour-management relations?
54. In the case of smaller units, do you think it is practicable to provide jointly with other units the welfare amenities like canteens, creche, transport, medical aid, education, recreation, housing etc. ? If so, how should the arrangements, financing and administration of welfare amenities in such cases be planned ?
55. How far can trade unions and employers' organisations cooperate in the field of labour welfare ? How far is legislation necessary ?
56. To what extent need the welfare efforts of the trade unions and employers' organisations be supervised by State agencies and supplemented by State effort ?
57. Review the arrangements for financing the welfare activities by different agencies.
58. (a) The Labour Ministers' Conference at its 17th Session held in July 1966 desired that Government might explore the possibility of setting up industrywise statutory welfare funds on the lines of Coal and Mica Mines Labour Welfare Funds* for all industries not yet covered by such funds. Give your detailed views

*For salient features of the Coal Mines Labour Welfare Fund, Mica Mines Labour Welfare Fund and Iron Ore Mines Labour Welfare Fund, please see the relevant portions of the Annexure II.

on the desirability of setting up these funds for other industries.

- (b) If you support the idea of industry-wise statutory welfare funds for other industries, should they be set up in all industries or only in some industries or group of industries ? If the latter, please specify the names of such industry or group of industries along with the reasons for limiting the proposal to these industries.
 - (c) Please indicate the amount of maximum cess that should be levied for setting up such funds in respect of each industry or group of industries, keeping in view their economic position.
59. (a) The Labour Ministers' Conference at its 17th Session held in July 1966 drew attention to certain difficulties in financing welfare activities under the State Labour Welfare Funds, particularly in view of a High Court decision disallowing transfer of 'fines' and 'unpaid wages' and their utilisation in connection with welfare activities. Considering these difficulties, it is felt that the only satisfactory way is to have legislation on all-India basis for creating a fund for labour welfare activities in all industrial centres in the country by equal contributions from workers, employers and the Central and State Governments. Please give your opinion.
- (b) If you favour such a central fund, do you agree with the suggestion of equal contributions from workers, employers, Central and State Governments, or will you suggest some other basis of individual contributions ?
 - (c) Do you feel that the authority to administer the Unified Labour Welfare Fund should vest in an autonomous body representing the interests concerned ?

- (d) In such a case, would you consider that a three-tier administrative set up (Central, State/Regional and local level) should be established ?
60. Considering the fact that peculiar conditions of workers such as women workers, young workers, hand'capped workers, casual workers, contract workers, etc. warrant special consideration in the matter of welfare, please suggest ways and means to tackle their problems.
61. Any other suggestions that you would like to make.

Annexures

- I. List of Industries. (Not reproduced)
- II. Summary of different Acts regarding provisions for Labour Welfare. (Not reproduced)

INDIAN TEA ASSOCIATION

Reply to the questionnaire

PART I

1. Indian Tea Association,
Royal Exchange,
6, Netaji Subhas Road,
Calcutta-1.
2. Employers Federation of India
3. a. Plantations: Tea.
b. No. of workers employed on tea estates in the membership of the Association as at 31st December, 1965:

Permanent	...	410.648
Temporary	...	42.747
Total	...	<u>453.395</u>

- c. Based on reports by 131 tea companies in the membership of the Association the labour costs of the entire membership have been estimated as follows:

1962	...	Rs. 37.45 crores
1963	...	Rs. 37.58 crores
1964	...	Rs. 40.64 crores
1965	...	Rs. 40.38 crores

- d. Based on the returns of 131 tea companies the expenditure on labour welfare incurred by all members of the Association is estimated as follows:

1962	...	Rs. 6.85 crores
1963	...	Rs. 7.06 crores
1964	...	Rs. 7.52 crores
1965	...	Rs. 8.34 crores

e. Average annual expenditure per employee on labour welfare during the period 1962/65 was Rs. 155/-. Expenditure however is increasing as will be seen from (d) above. The expenditure per employee in 1965 was Rs. 184/- and will be higher still at present. Percentage to annual labour cost per employee during the period 1962/65 is 19.11%. The percentage for 1965 is 20.65.

f. Average annual expenditure on labour welfare (1962/65)—Rs. 7.44 crores. Percentage to total cost of production (1962/65)—7.56%.

4. **Welfare measures in the tea industry are governed by the provisions of the Plantations Labour Act and Rules.** Considerable expenditure is incurred by tea estates in implementing the provisions of the Act as well as on other voluntary welfare activities vide the replies to Q.3(d) and Q. 3(e).

The implementation of the welfare measures under the Act is supervised by a Plantations Inspectorate appointed under the Act as well as by a Housing Advisory Board and a Medical Advisory Board appointed by the State Governments.

5. The labour welfare amenities which tea estates are required to provide for their workers under the Plantations Labour Act are already very elaborate and no extension is considered necessary or desirable. In fact the statutory provisions and the benefits voluntarily provided by tea estates go far beyond the I.L.O. definition of "Labour Welfare."

6. a. The Plantations Labour Act applies to all tea estates of 25 acres or more on which 30 or more persons are employed. These limits are justified.
- b. The Plantations Labour Act provides for canteens to be established where 150 workers are ordinarily employed; and for creches to be provided where 50 or more women are employed. The State Rules relating to these items have not yet been enforced. In West Bengal they will be enforced from 1st October, 1967.

The Association considers that canteens are unsuited to conditions on tea estates. Workers usually take their midday meal with them when they go to work in the morning. During the plucking season the workers want to pluck as much leaf as they can and they do not want to be away from their work site for the length of time it would take to go to the estate canteen if there was one. Some estates have established canteens on an experimental basis but they have not proved very successful. In these days of food shortage there is no justification for extending the experiment.

The Plantations Labour Rules in respect of creches follow the rules under the Factories Act. The extensive area of the plantation makes a Central creche inappropriate because the mothers of the children would have to leave the work site and walk a considerable distance to the creche at the feeding intervals. The rules provide for the creche to be equipped with furniture and cradles, for milk and refreshments to be supplied free or at nominal costs, for qualified attendants to be in charge, for the children to be provided with clean clothes while at the creche. All these provisions are far too elaborate and would place a very heavy burden on the estates. Tea estates workers are provided with housing on the estate. The small children are normally left at home with the aged relatives or

with the elder children, who bring the infants to the work site at feeding times. "Satellite" creches in the form of covered shelters, in the vicinity of work sites are more appropriate to the needs of the situation.

PART II

7 to 16. The provisions of the Plantations Labour Rules relating to canteens have not yet been enforced.

The rules provide for the canteens to serve tea and snacks on a no-profit basis.

A few experimental canteens have been established but these have proved unsuccessful because the tea estate workers live on the estate and prefer to go home for their meals or they bring their meals with them rather than visit the canteen.

17 to 20. The total number of women employed on member tea estates is

1962	...	227,860
1963	...	227,087
1964	...	218,276
1965	...	204,028

The Plantations Labour Rules relating to creches provide for the supply of free milk to children below 2 years of age and for refreshments to those between two and six years. It is considered that Central creches will be unsuitable and "Satellite" creches as referred to above are more appropriate to the needs of plantations. The elaborate creches for which the rules make provision would also be quite unnecessary and simple covered shelters to the workers are all that is needed.

21 to 23. Tea estates provide their workers with foodgrains at the following concession rates :—

Assam : Zone A: Rs. 53.58 per quintal

Zones B & C : Rs. 46.89 per quintal

West Bengal : Dooars & Terai: Rs. 40.19 per quintal

Darjeeling : Rs. 47.00 per quintal

The Government controlled price for rice is Rs. 93/- per quintal in Assam and Rs. 135/ per quintal in West Bengal. The controlled price for wheat is Rs. 67/- per quintal. Market prices of course are considerably higher.

In the circumstances the Association is unable to recommend the setting up of fair price shops.

24.
 - a. The Plantations Labour Rules require tea estates to make available adequate supplies of wholesome drinking water at work sites, at all times during working hours. In pursuance of these rules either water tanks or water carriers are sent down to the work sites for the use of the workers.
 - b. Latrines are provided in all factories but are unnecessary in the field and impracticable.
 - c. Accidents in the field are extremely rare and when they do occur are minor in nature. First aid boxes are maintained at the tea estate factory. The workers' lines are close to the estate hospitals. The estate A. M. Os. visit the workers at their homes in the case of illness when they are unable to come themselves to the estate dispensary. Garden transport is used to convey serious cases to hospitals when required.

PART III

25. a. Tea estates are situated in rural surroundings and the permanent workers are provided with houses on the estates themselves. As they live on the estate the workers walk to their work sites and the question of using transport for this purpose does not arise.
- b. Does not apply.
- c. The labour lines are situated within the garden area and the workers do not have to walk far to arrive at the work site.
- d & e. Does not apply.
26. Not applicable.
27. a. Tea estates are required to maintain hospitals under the Plantations Labour Act and Rules which make detailed provisions for the number of beds to be available etc. All estates therefore have hospitals with adequate staff to cater for patients requiring outdoor treatment; while the majority have adequate provision for indoor patients too.
- b. The cost of providing medical facilities on tea estates in the membership of the Association amounted to
- Rs. 1.97 crores in 1962
Rs. 1.97 crores in 1963
Rs. 1.94 crores in 1964
Rs. 2.02 crores in 1965
- c. The entire cost is borne by the employer.
- d. The estate doctor visits the lines to see workers who are too sick or who are unable to come to the garden hospital.

- e. Tea estates make arrangements for the treatment of workers suffering from T.B., Cancer etc. as appropriate to the needs of each case. The Tea Board makes grants to various institutions which provide concessional or free treatment to the estate workers suffering from T.B., Cancer etc.
 - f. Practice varies. Certain companies pay for spectacles etc. while others make payment for medical appliances.
 - g. Ante-natal and post-natal advice is available at the garden hospital but no separate maternity or child welfare centres are maintained. The Association would urge that maternity benefits should be payable only to those expectant mothers who make use of these facilities and whose babies are delivered in the estate hospital.
28. There are no occupational diseases as such on tea estates.
29. For plantation workers who work in the open there is no need to make any provision of the nature mentioned in this question.
30. a. Advice on family planning is available at the estates' hospitals.

The Indian Tea Association operate a Family Planning scheme working under the direction of the Principal of the Ross Institute of Tropical Hygiene. A qualified Family Planning Officer undertakes tours of the tea estates, hold discussions and meetings with the workers for motivation purposes.

Several tea estates applied to Government for grants for contraceptives for distribution to the workers but considerable difficulties were experienced in obtaining the grants because of the

formalities which had to be complied with before payments were made by the Accountant-General's office. Conventional contraceptives were found to be unsuitable for illiterate workers.

Before the introduction of the I.U.C.D. there was considerable interest in sterilisation and the following are figures of sterilisations carried out on tea estates in the membership of the Association from 1960 to 1964 :—

<i>Year</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>
1960	28	543	571
1961	82	378	460
1962	520	1024	1546
1963	919	1178	1897
1964	—	—	1260

Workers undergoing sterilisation are paid a bonus of Rs. 20/- and are also granted special sick leave extending in the case of women to ten days.

I.U.C.Ds. have been found very popular on tea estates and the number of I.U.C.Ds. inserted since the programme began in the year 1965 on tea estates in the membership of the Association is as follows :—

1965	...	21,885
1966	...	40,903
1967 upto end June	...	46,476

No bonus is paid for I.U.C.D. insertions but one day's I.U.C.D. leave is granted for first insertion, reinsertion after voluntary expulsion or child birth, removal if advised by the P.M.O. etc. additional leave upto two days is granted on recommendation of the P.M.O. for special medical reasons.

Vital statistics for Assam Tea estates in 1966 recently collected and analysed by the Ross Institute provide evidence that.

the high birth rate is fast yielding to the Association's vigorous family planning programme.

Upto the 31st December, 1966, 31,437 women on these estates were fitted with loops. As the total population of the estates numbers about 800,000 this gives an acceptance rate of 39 per thousand of the total population. The acceptance rate upto the end of June 1967 was 44 per mille of the total population representing a record probably unsurpassed anywhere in India. The cumulative removal rate was 0.6% and the expected expulsion rate 2.7% upto 31st December, 1966.

In 1961 the birth rate was 44.3 per mille; it fell slowly to 35.6 in 1965; then as the I.U.Ds exerted their effect, it fell by 4.4 in a single year to reach 31.2 per mille in 1966. There were planting districts in which the 1966 birth rate was only 27 per mille and there is every reason to expect that the rate in 1967 will fall to 25 or even lower as the births are further reduced by I.U.Ds inserted too late in 1966 to affect the birth rate in that year. The death rate for these years has varied between 12 and 13 per mille; the growth rate has decreased from 5.2% in 1961 to 1.9% in 1966.

The Government of India have recently extended their assistance schemes for I.U.C.D. insertions, vasectomy and tubectomy to private institutions. The possibility of estates obtaining assistance under these schemes is being investigated.

- b. Although initially slow, the workers' reaction to the Family Planning programme is not unsatisfactory, as is clear from the answer to 30(a).
- c. The Association's family planning programme has received the following grants from the Tea Board:

1962/63	...	Rs. 31,451.45
1963/64	...	Rs. 15,447.26
1964/65	...	Rs. 26,065.64

An application for Rs. 24,766.58 for 1965/66 was passed on by the Tea Board to the Government of India and is still awaiting sanction.

31. a. Primary schools exist on all tea estates. Under the Plantations Labour Rules educational facilities are to be provided where there are 25 or more children between the ages of 6 and 12 years.

A teacher for every 40 pupils is provided. The curriculum and teacher's qualifications etc. are governed by the regulations laid down by the State Education Department.

- b. Recently primary schools on tea estates have been taken over by the State Governments in some areas. In such cases the estates have handed over the school buildings and the land on which they are situate to the Education Board by Deed of Gift. The estates have, however, continued to maintain the school buildings and to provide the furniture and fittings. Where the school teachers' pay was in excess of the Government pay scales the estates have continued to pay the difference.

- c. Education is the responsibility of the State and it is upto the Government School Board to set up additional schools at villages and towns adjoining the tea estates.

32. a. There are no specific arrangements for imparting education to adult workers but certain estates offer facilities, where interest for adult education is shown, by allowing the use of the school house, kerosene for lighting and sometimes payment of a portion of the teachers' wages.

It is up to the Education Department to make arrangements for adult education and such classes could be provided at the existing school houses at night when the workers are free to attend.

33. The question whether adult education should be made compulsory for workers is a policy decision for Government to decide as education is the responsibility of Government.
34. Before any scheme for the spread of literacy among the workers is extended to the adult members of the workers' family, it is thought that the education of the workers' children and then the workers themselves shall be properly organised.
35. As the objective of the Workers Education Board is to train worker teachers, the Board may be able to provide trained teachers for the spread of literacy among the adult workers.
36.
 - a. Most estates provide playgrounds for their workers. At some estates recreation centres have been built, at the cost of the employers. In many instances these centres are equipped with a radio, indoor games etc. Managements arrange out-door games and tournaments and supply jerseys and footballs etc. Free cinema shows are also provided at a number of estates.
 - b. The recreational facilities are provided free of cost to the workers.
 - c. The Plantations Labour Rules provide for recreational facilities on tea estates and as explained above these facilities are generally provided. On tea estates in Darjeeling, owing to the lie of the land and scarcity of space, it is not always possible for playing fields to be provided.

37. All the recreational facilities are provided free and at the cost of the employers.
38. No.
39. a. While sightseeing tours might be of interest to a limited number of workers, the lack of education which generally speaking prevailing among tea estate workers would make such tours infructuous at present.
- b. & c.—
- d. No.
40. a. & b. Under the Plantations Labour Act and Rules tea estates are required to provide housing for all permanent workers and their families.
- c. The construction of new houses according to the specification laid down under the provisions of the Plantations Labour Act is going on apace, but is of course subject to the availability of building materials and finance.

The number of houses to the prescribed specifications provided by member estates at 31st December, 1966 was

West Bengal	...	35,319
Assam	...	67,912
		<hr/>
		1,03,231

The number of non-standard houses was

West Bengal	...	28,189
Assam	...	22,502
		<hr/>
		50,691

41. Does not arise as workers are provided with free housing by the employers.
42. a. The housing specifications at present in force in West Bengal are adequate.

The Working Group on Plantation Housing which the Government of India set up in 1962 considered that the specifications prescribed by the Assam Government in February 1963 were too elaborate and recommended the adoption of more modest specifications. Alternatively, as recommended by the Working Group, if the Government of Assam desire that houses be built to the February 1963 specifications, the Government of Assam should meet the difference between the cost of building to these specifications and those previously in force. This recommendation of the Working Group was accepted by the Industrial Committee on Plantations.

- b. Houses are provided rent free.
- c. All pucca houses are kept in good repair by the estates and lime washing etc., is done as provided by the Plantation Labour Rules.
43. • Loan assistance is available to tea estates under the Plantation Labour Housing Scheme but the terms for the grant of the loans are such that very few estates have been able to take advantage of the scheme.

Although the Working Group on Housing recommended in 1964 that the loan and subsidy scheme applicable to industrial establishments should be extended to tea plantations, the details of the subsidised Housing Scheme for Tea Plantations have only just been announced and it is not known when assistance under the Scheme will actually be available.

Under the scheme estates will be able to claim 25% subsidy and 50% loan towards the cost of their building programme. Under the scheme the loan will be disbursed as follows:

25% when construction reaches plinth level,
 50% when construction reaches roof level, and
 25% on completion of the project.

The subsidy will be disbursed as follows:

50% on the construction of the houses to the
 satisfaction of the State Governments, and
 50% on receipt of the audited accounts of the project.

The Assam Government insist that assistance under the revised scheme will only be granted in respect of houses constructed to the February 1963 specifications. The Association considers that the assistance should be available in respect of houses which conform to the more moderate specifications approved by the Working Group on Housing and that if the Assam Government wishes estates to construct houses to their February 1963 specifications they should give a further subsidy to cover the entire additional cost.

44. Co-operatives stores will not be viable on tea estates because foodgrains which would constitute the bulk of the sales from such shops, are supplied to the workers and their authorised dependants at concessional rates by the estates themselves. The Association has suggested that co-operative stores should be set up at certain focal points in the bazar areas where it would be possible for a very much larger number of workers from neighbouring estates to patronise the shop, thereby probably making it viable notwithstanding the fact that foodgrains would not be handled. The financial assistance required, viz.,

Share Capital	...	Rs. 2,500
Loan for Working		
Capital	...	Rs. 10,000
Managerial Subsidy	...	Rs. 1,800

will be provided by tea estates whose workers will be benefited by the shops.

The West Bengal Government have accepted these proposals but no progress has yet been made to set up the shops.

Some co-operatives were set up on tea estates in Assam by the managements but the results have been unsatisfactory. The Assam Government have set up a Committee to look into the working of such co-operative stores as exist on tea estates and the reasons why those which are no longer functioning failed.

- e. The Association has agreed to provide the following financial assistance for the co-operative stores to be set up in the bazar areas by Government :

Share Capital	...	Rs. 2,600
Loan for Working Capital	...	Rs. 10,000
Managerial Subsidy	...	Rs. 1,800

- f. The Association considers that it is undesirable that the management should be involved in the running of co-operative stores and that their management should be entirely the responsibility of the workers.
45. There are no credit societies on tea estates.
46. On some tea estates facilities are available for employees to make saving deposits with their employers but these facilities will now have to be modified to meet the provisions of the Non-Banking Non-Financial Companies (Reserve Bank) Directions, 1966.

47. a. Workers on tea estates receive sickness allowance for 14 days in the year at the rate of 2/3rds of the average daily earnings.

Relief in cases of distress like death, injury etc. are granted at the discretion of the employers.

- b. Festival advances are also granted at the employers' discretion.

PART IV

48. a. Welfare measures such as the provision of canteens, creches, housing, education facilities etc. are provided for in the Plantations Labour Act and Rules.

The Plantations Labour Act and Rules provide for the appointment at State level of Advisory Boards for Housing, medical facilities etc. and these Boards periodically review the progress made by tea estates in the matter of housing and medical facilities. The State Governments have appointed Chief Inspectors of Plantations and Inspectors who make periodic visits to tea estates to check whether the various provisions of the Act and Rules are being followed by the estates concerned.

- b. The Plantations Labour Act provides for the appointment of Welfare Officers. Employers have consistently pointed out that Welfare Officers would be of no benefit to labour and would harass the management. Their appointment would entail extra expenditure which in its present economic state the Industry cannot afford. At the 6th Session of the Industrial Committee on Plantations it was agreed that the provisions relating to Welfare Officers should be

deleted from the Act. Although it was subsequently agreed of the 11th Session that the provisions of the Act relating to the appointment of Welfare Officers should be implemented, the matter was considered again at the 12th Session held on the 19th and 20th August, 1967 and a suggestion was made that a memorandum seeking de novo reconsideration of the problem should be submitted for inclusion in the agenda for the next session.

49. Workers participate in the administration of welfare measures through their Works Committees. Joint Councils of Management where they exist deal mainly with welfare measures, with the upkeep of housing, roads and arrangements which are to the convenience and comfort of the workers.
50. The provisions of the Plantations Labour Act and Rules adequately cover all the welfare facilities needed by the workers.
51. Yes.
52. a. • The Association does not favour a basic minimum of welfare amenities being laid down for all industries as economic factors and conditions in the industry must be taken into account. Before welfare measures are imposed on an Industry or existing ones are enlarged, there should be an appropriate form of enquiry into the capacity of that industry to bear the proposed burdens. Also, the welfare measures of one industry should not be far out of proportion to what is available to labour employed in other sectors.
- b. The Association does not consider it necessary that there should be uniformity in the percentage that

expenditure on labour welfare bears to the total labour cost. It is of prime importance that economic factors affecting the Industry are considered when determining the level of welfare amenities to be provided for the labour.

53. Although the welfare amenities which tea estates have provided to their workers have considerably improved the health of labour, there has been no noticeable improvement in the efficiency of the workers except that absenteeism has declined. Welfare measures have unfortunately proved a fertile ground for disputes in certain cases and to that extent have marred the general improvement in labour-management relations.
54. Owing to the distances between tea plantations it would not be possible for smaller tea estates to provide welfare amenities jointly with other tea estates.
55. Trade Unions can play a useful role by educating their members on the better and hygienic use of the amenities provided by the employers. They should also be taught the values of hygiene, cleanliness etc.

The welfare measures provided by tea estates are adequate and no further legislation is necessary.

56. The voluntary efforts of the Industry to provide welfare amenities to the labour should be supplemented by the State.

The Tea Industry is required to provide housing for its labour force and is also required to provide foodgrains.

The Association considers that tea estates should be entitled to Government assistance in housing construction and therefore welcomes Government's decision to extend the loan and subsidy scheme for housing to the tea industry.

57. The arrangements for financing the welfare amenities to be provided under the Plantations Labour Act and Rules have to be made by the estates themselves. The Tea Board, however, supports certain supplementary benefits connected with

- (i) Education
- (ii) Medical Aid and Sick care
- (iii) Vocational Training
- (iv) Youth Movements
- (v) Sports & Games
- (vi) Entertainments

by granting capital/annual grants to certain institutions such as hospitals/schools etc. and having a number of seats reserved for tea garden workers or their children as the case may be.

The Association received grants towards its Family Planning Project as follows :

1962/63	...	Rs. 31,451.45
1963/64	...	Rs. 15,447.26
1964/65	...	Rs. 26,065.64

An application for a grant for 1965/66 was passed on to the Government of India and sanction is still awaited.

The Tea Board's policy for the distribution of grants is not quite clear. In the case of the Association's family planning project the Board has only made contributions towards recurring expenditure and not towards capital expenditure.

In the case of a T. B. Sanatorium in the Darjeeling area the Board meets two-thirds of the charges levied by the Sanatorium in respect of tea garden patients. On the other hand in the case of a T.B. Hospital and Clinic in the Dooars the Board made a capital grant but refused to make a contribution towards the charges levied by the hospital in respect of tea garden patients.

It is considered that the Tea Board should clearly define its policy in regard to the allotment of grants for welfare measures.

58. a. The Association is strongly opposed to the setting up of a Welfare Fund because such a fund is unnecessary in an industry in which welfare is provided by the employers at their cost and under a statute.

The Assam Government, however, has already set up a Tea Plantation Employees Welfare Fund to which tea estates are required to transfer all fines and unpaid accumulations as defined in the Act. The Association would recommend the abolition of this fund.

- b. The Association does not feel itself competent to make any suggestions for the setting up of welfare funds in other industries.
- c. The Association is strongly opposed to the idea of a cess being imposed for setting up welfare funds in industry.

59. —

60. The Plantations Labour Act and Rules adequately cover all aspects of welfare amenities for all categories of workers in the tea industry. In fact the plantation industry provides welfare amenities in range and content far superior to anything imposed on other industries and particularly in the agricultural sector. Government should direct its efforts to bringing the less fortunate sectors of the community to the levels achieved in organised sectors and until this is achieved no fresh burdens should be imposed on employers already providing welfare benefits to their workers.

SUPPLEMENTARY NOTE SUBMITTED BY THE INDIAN TEA ASSOCIATION ON WELFARE AMENITIES IN THE PLANTATION INDUSTRY IN NORTH EAST INDIA.

Name and address of the Respondent:	Indian Tea Association, Royal Exchange, 6, Netaji Subhas Road, Calcutta-1
Name of Central Organisation of Employers to which you are affiliated.	(i) Employers' Federation of India (ii) Consultative Committee of Plantation Associations.
Commodity	Tea : Association of Tea Producers.
Coverage	(1) There are 179 Tea companies covering 365 Tea estates in the membership of I.T.A. as at 1st January, 1968. (2) Area under Tea—146, 210 Hectares. (3) Permanent Resident garden labour—373, 465. (4) Estimated Crop in 1967—182.9 million kgs.

Branch Members

	<i>No. of Tea Estates</i>	<i>Area under Tea (in Hectares)</i>
Darjeeling Branch I.T.A.	76	16,552
Dooars Branch I.T.A.	94	42,680
Terai Branch I.T.A.	25	6,054
Assam Branch I.T.A.	284	100,097
* Surma Valley Branch I.T.A.	42	13,613

The Association has already submitted a detailed reply to the questionnaire issued by the Committee on Labour Welfare and this note elaborates the information already supplied.

From a survey conducted by this Association on the weight of labour costs and fringe benefits on tea estates in the membership of the Association, it is noted that fringe benefits account for 29.10% of the total labour cost and about 12% of the total estate cost. An analysis according to items is given below :—

Labour Wages, Fringe Benefits & Cost : N. E. India

(An Estimate based on about 60% of the Association's Membership)

<i>Items</i>	<i>Percentage to</i>	
	<i>Total Cost</i>	<i>Labour Cost</i>
1. Labour Wages	29.33	70.90
2. <i>Fringe Benefits</i>		
(a) Bonus	1.40	3.39
(b) Provident Fund	2.64	6.38
(c) Leave with wages	0.89	2.16
(d) Sickness and Maternity Benefits	0.52	1.25
(e) Medical Expenditure	1.56	3.77
(f) Education	0.06	0.15
(g) Food Concessions	2.45	5.93
(h) Other Benefits	<u>2.51</u>	<u>6.07</u>
3. Total Benefits	12.03	29.10
4. Total Labour Cost	41.36	

The plantation industry is covered by the following welfare legislation :—

1. *The Plantations Labour Act, 1951*

In addition to all the labour legislation which is applicable to industries in general, the tea industry is covered by the Plantations Labour Act, which contains elaborate provisions relating to welfare facilities such as drinking water, conservancy, canteens, creches, recreational facilities, educational facilities, housing, annual leave with wages, sickness and maternity leave with benefits.

(i) *Drinking Water*

Under Section 8, tea estates are required to make available adequate supplies of wholesome drinking water at work sites, at all times during working hours. Water tanks or water carriers are therefore sent down to the work sites for the use of the workers.

(ii) *Conservancy*

Under Section 9, tea estates are required to provide a sufficient number of latrines and urinals of the prescribed type separately for males and females, conveniently situated so as to be accessible to workers.

(iii) *Health*

Section 10 provides that in every plantation there shall be provided and maintained so as to be readily available such medical facilities to cover the workers and their families as may be prescribed by the State Governments, free of cost.

The respective State Governments have framed rules which make detailed provisions for the facilities to be made available at the hospitals such as the number of beds, the number of doctors and nurses, etc. All tea estates therefore have hospi-

tals with adequate staff to cater for patients requiring outdoor treatment; while the majority have adequate provision for indoor patients too.

(iv) *Canteens*

Section 11 requires canteens to be provided on every plantation wherein one hundred and fifty or more workers are ordinarily employed. The State Governments have framed rules, which provide for the canteens to serve tea and snacks on a no-profit basis.

A few experimental canteens have been established but these have proved unsuccessful because of lack of interest by the workers who reside on the estates and who go home for their meals or bring their meals with them.

(v) *Creches*

Section 12 of the Plantations Labour Act requires creches to be provided on every plantation employing 50 or more women for the use of their children below the age of six.

The rules framed by the State Governments provide for the supply of free milk to children below 2 years of age and for refreshments to those between 2 and 6 years. The rules also provide for the creches to be equipped with furniture, cradles, etc.; for qualified attendants to be in charge; and for the children to be provided with clean clothes while at the creche. All these elaborate provisions place a very heavy burden on tea estates.

(vi) *Recreational facilities*

As required by Section 13, most tea estates provide playgrounds for their workers. On some estates, recreation centres have been built at the expense of the employers. In many instances these centres are equipped with a radio, indoor games, etc. Managements arrange outdoor games and tournaments

and supply jerseys and footballs, etc. Free cinema shows are also provided at a number of estates.

(vii) *Educational facilities*

Primary schools exist on all tea estates. Under Section 14 of the Act and the Rules framed thereunder, educational facilities are to be provided where there are 25 or more children between the ages of 6 and 12 years. A teacher for every 40 pupils is provided. The curriculum, teachers' qualifications, etc. are governed by the regulations laid down by the State Education Department. In West Bengal these schools were handed over to Government a number of years ago, while in Assam these schools are in the process of being handed over to Government. In such cases the estates have either handed over the school buildings and the land on which they are situated to the Education Board by Deed of Gift or have leased them out to the Board at a nominal rent of Re. 1/- per annum.

(viii) *Housing*

Under the Plantations Labour Act and Rules, tea estates are required to provide housing for all permanent resident workers and their families.

(ix) *Protective Clothing*

Aprons, jerseys or blankets, jhapies or umbrellas have to be provided under Section 17 of the Act, for the protection of the workers from rain or cold.

(x) *Hours of work*

Section 19 lays down the maximum hours of work in a plantation as 54 hours in a week for adults and 40 hours for adolescents and children. A weekly day of rest is provided under Section 20 as well as payment of overtime for work on

the day of rest and the provision of an alternate day of rest. Under Section 21, daily intervals of rest are laid down. Under Section 24, no child below the age of 12 can be employed. Section 25 prohibits night work by women and children.

(xi) *Leave with wages*

Leave with wages is provided for under Sections 29 to 31. Leave is to be granted at the rate of one day for every 20 days of work for an adult and one day for every 15 days of work for a young person.

(xii) *Sickness benefits*

Section 32 provides for the grant of 14 days sick leave with wages in a year at the rate of 2/3rd of the average daily earnings and maternity benefit for a period of 12 weeks. At the 12th Session of the Industrial Committee on Plantations held on the 19th/20th August 1967 it was agreed that accumulation of sick leave should be allowed up to a period of 30 days and that in combination with accumulated annual leave and the quantum of sick leave due in the year concerned, a worker could be granted a maximum of 74 days sick leave in genuine cases of chronic or serious illness or for prolonged periods of convalescence.

(xiii) *Maternity Benefit*

Recently, the Central Maternity Benefits Act, 1961, has been extended to plantations by the State Governments, repealing the relevant Rules relating to maternity benefits framed under the Plantations Labour Act. Under this Act, benefit is payable for a total period of 12 weeks calculated on the basis of "average daily wages" during the immediately preceding three calendar months.

2. *Industrial Employment (Standing Orders) Act, 1946*

Standing Orders, which have been certified in West Bengal and Assam under the provisions of the above-mentioned Act, lay down the conditions of employment of "workmen" in the tea industry in these States.

3. *Industrial Disputes Act, 1947*

The provisions of this Act relating to the payment of compensation to workers in the event of lay-off or retrenchment were extended to plantations with effect from 1st April, 1954.

4. *Factories Act, 1948*

Tea factories are covered by the provisions of the Factories Act in all respects.

5. *Payment of Wages Act, 1936*

The payment of wages to persons employed on tea plantations is regulated in accordance with the provisions of the Payment of Wages Act, which was extended to cover plantations in 1947.

6. *Minimum Wages Act, 1948*

This Act continues to apply to tea estates although wages on tea estates are now governed by the recommendations of the Wage Board for the Tea Plantation Industry.

7. *Employees Provident Fund Act, 1952 and Assam Tea Plantations Provident Fund and Pension Fund Scheme Act.*

In West Bengal the provisions of the Employees' Provident Fund Act were extended to factories from 31st July, 1956 and plantations, from 30th April, 1957. By subsequent notifications, under the first proviso to Section 6 of the Act,

the rate of contributions has been enhanced to 8%.

In Assam the Assam Tea Plantations Provident Fund Scheme Act was introduced with effect from 12th September 1955, the rate of contributions was enhanced from 6½% to 8% with effect from 16th November 1966.

The Act was amended with effect from the 15th October 1967 in order to make provision for the setting up of a Pension Fund. The Act is therefore now known as the Assam Tea Plantations Provident Fund and Pension Fund Scheme Act. The Pension Scheme provides for the grant of pensions at certain prescribed rates to all workers who have been members of the Fund for at least 10 years on their reaching the age of retirement.

8. *Workmen's Compensation Act, 1923*

Employment injury is covered by the Workmen's Compensation Act, which was extended to plantations in July, 1964. The workers employed otherwise than in a clerical capacity are eligible for compensation for accidents arising out of and in the course of employment according to the Schedule.

9. *Maternity Benefit Act, 1961*

This Act was extended to tea estates in West Bengal on 1st January, 1963, and to tea estates in Assam on 16th December, 1963, repealing the corresponding provisions relating to maternity benefits in the Plantations Labour Act.

10. *Payment of Bonus Act, 1965*

Tea Plantations in North-East India now pay bonus in accordance with the provisions of the Payment of Bonus Act.

REPORT ON THE INDIAN TEA ASSOCIATION FAMILY PLANNING PROGRAMME

The Indian Tea Association's Family Planning Programme was started in May 1962 at Borbam Tea Estate in Assam as a pilot project.

2. The Association's Family Planning Officer first undertook a study of the attitudes and needs of tea estate labour towards family limitation by visiting a large number of families in their homes and interviewing the couples privately. She made a point of discussing Family Planning with Trade Union officials, sirdars and other people regarded as influential with labour. The response was good and interest strong.

3. When the pilot study was completed, the Family Planning Officer visited neighbouring tea districts at the request of the Principal Medical Officers. These included the Jhanzie, Mariani and Dhunseri Medical Associations and estates of the Assam Company and Assam Frontier Company. The Family Planning Officer was in the last-named area when evacuation in November 1962 brought her work to an end for a time.

4. A pilot training course for Family Planning helpers was held on Borbam Tea Estate. Twenty women were selected from the labour forces of tea estates by the Principal Medical Officers of the Jhanzia and Mariani Medical Associations and by the Principal Medical Officer of the Assam Company. The course lasted 4 weeks and at its conclusion 7 of the most promising trainees were kept for a further week of intensive teaching. The object of the course, which was experimental, was to find out if the women could be of use on the estates where they lived by interesting their neighbours in small families and in bringing interested couples in touch with the estate doctors who would give the necessary technical advice.

Motivation meetings on tea estates :

5. The Family Planning Officer first discusses her meetings with the Trade Union Officials and influential men among the labourers. Separate group meetings are held for men and women and are usually followed by meetings where both men and women are present. She holds separate meetings for staff members and their wives, first for the sexes separately, then combined meetings. She makes a number of house visits and pays special attention to follow-up visits to people who have been sterilised.

6. The following table prepared by the Family Planning Officer gives a summary of the work done in the first year of the programme :

Summary of Meetings

S. No.	Particulars of meetings	Type of meeting	No. of meetings held	Men & women No. of persons contacted.
1.	Group meetings	... (a) Men & Women (b) Men (c) Women	5 12 3	106 149 61
2.	Mass meetings	... (a) Combined Men & Women (b) Men (c) Women	49 19 8	15968 1473 602
3.	Staff and their families	(a) Combined Men & Women (b) Men (c) Women	6 4 8	233 53 122
4.	Couple contacts	... Couples	10	10
5.	Individual interviews	... Normally the leaders	5	5
6.	Sterilised cases (follow up)	... (a) Individually (b) In groups	10 2	10 83
TOTAL			141	18875

7. The Family Planning Officer has given great attention to developing audiovisual aids. She found that a flannel graph and cut-out figures were extremely helpful and held the atten-

tion of the audience. She made up several vivid stories illustrating cases of women who limited their families and could care for their children and others who did not. Coloured transparencies were made of one of the stories which can now be shown to larger audiences by projection. The Family Planning Officer hopes to have other stories photographed and then copies may be made and offered to interested parties in the tea districts.

8. A number of Family Planning films have been ordered from the Films Division of the Government of India. The Family Planning Officer is anxious to have a mobile cinema with projector and generator so that these films can be used on out-lying tea estates where neither projector nor electric current is available. She also feels that good use could be made of a tape recorder, amplifier and microphone especially for notifying people of meetings in the way a commercial film show is announced. At present she finds that a notice on the morning of the meeting does not ensure attendance and even three or four calls in the labour lines are not always effective. Music from a loud-speaker might have the desired effect.

Oral Contraceptive Trial :

9. Messrs. G. D. Searle & Co., Ltd. donated 24,000 tablets of Conovid-E, a contraceptive pill, for field trials, which were carried out at the Rajgarhali, Bazaloni, and Tengapani tea estates under the clinical direction of Dr. W. D. V. Burton. There were no drug failures but some women in the trial became bored with prolonged pill-taking and left the trial. Supervision and the collection of routine data were carried out by the Association's Family Planning Officer under Dr. Burton's instruction. The trials commenced at the end of July, 1963 and continued till July, 1964.

Sterilisation :

10. Considerable interest in the sterilisation was generated and from 1960 up to the end of 1967, on tea estates in the membership of the Ross Institute in North-East India, over 8000 men and women were sterilised.

Intra-Uterine Device :

11. This was first introduced in Assam in November, 1964 with a small supply of I.U.Ds obtained from private sources. Their immediate popularity with labour was so striking that efforts to obtain supplies of Lippe Loops from Government were intensified and eventually successful, 1,500 loops being received on 31st March, 1964. The Ross Institute has been approved by the Director of Family Planning, Government of India, to receive supplies for tea estates in North East India and to distribute them to Medical Officers subject to the conditions laid down by Government.

12. By May, 1965 the I.U.D. programme had been started in tea estates in West Bengal and Assam. The Ross Institute receives all supplies of I.U.D.s and inserters and distributes them to tea estates whether or not they are members of the Ross Institute or the Indian Tea Association provided that the doctors have been trained in the technique of insertions. Demonstrations of technique are arranged by the Ross Institute.

13. Upto the 31st December, 1967, a total of 41,443 I.U.Ds. had been inserted in women on tea estates in Assam and 9,053 in West Bengal. It is to I.U.Ss, that the major credit for the falling birth-rate must be given. In the Assam Valley estates in the membership of the Association's Assam Branch, the birth-rate fell from 44 per 1,000 in 1961 to 31 per 1,000 by 1967, with certain districts standing at 27. These statistics relate to a resident population of some 800,000, and the achievement is therefore remarkable.

NOTES BY THE INDIAN TEA ASSOCIATION ELUCIDATING POINTS
IN ITS REPLY TO THE QUESTIONNAIRE ISSUED BY THE
LABOUR WELFARE COMMITTEE,

(a) *Canteens* :

Rules 33 and 34 of the West Bengal Plantations Labour Rules and Rules 44 and 45 of the Assam Plantation Labour Rules require tea estates which employ 150 or more workers to provide and maintain canteens with facilities for sale of tea and snacks to the workers. The West Bengal rules were brought into force from 1st October, 1967. The Assam Rules have not yet been enforced. The Association has made a representation to the West Bengal Government suggesting that the order relating to the provision of canteens should be withdrawn for the following reasons :—

The estates already provide workers with liquid tea free of cost at the work sites and there appears to be no need for additional facilities for tea drinking to be provided. Owing to the extensiveness of tea estates the setting up of canteens would not be feasible since work sites may be at such distances from the canteen that it would not be physically possible for workers to use it during the break period and get back to the work sites in due time. Canteens are, in fact, quite unnecessary because the workers on the estates live on the estate and they usually carry their midday meal with them because, during the height of the plucking season particularly, they do not wish to be away from their work for any length of time. At the end of the day the worker prefers to go home for his food rather than visit the canteen. Furthermore, in these days of food shortage it would be difficult for managements to arrange for suitable snacks, and as canteens are unlikely to be patronised there is every likelihood of waste occurring. In Assam, experimental canteens were set up to determine whether tea garden workers would be interested in such an amenity. These canteens have not proved successful and the rules have therefore not been enforced in Assam.

(b) *Creches* :

In Assam, tea estates provide "mobile satellite creches" or shelters near the work sites and mothers who wish to have their children near them, leave their children at these shelters, where they are watched over by women appointed for this purpose by the management. These shelters are movable and are shifted to wherever the women are working. Generally they are set up near the site chosen for the weighing up of leaf.

Permanent creches such as are envisaged under the Plantations Labour Act and Rules are unsuited to the Plantation Industry because it would only be possible for such creches to be established near the factory. Owing to the extensiveness of the tea estate and the changing location of the work sites, it would be inconvenient for mothers to leave their children at the creche and to make visits to the creche at freeing time.

(c) *Maternity Benefits* :

When tea estates are required under the Plantations Labour Act to provide hospitals with elaborate facilities for pre-natal and post-natal care, and to employ doctors and midwives, it is only reasonable that the workers should be required to use these facilities. By making it a condition that maternity benefits will only be payable if the baby is delivered at the hospital, the workers will be compelled to use the hospital facilities, which will be in the best interests of both mother and child.

(d) *Recreational Tours and Sight Seeing Visits* :

Under the Plantations Labour Act tea estates are required to provide extensive welfare measures and amenities and the Association considers that it would be more appropriate and in the large interests of the workers themselves to consolidate what they are now required to provide rather than to suggest expanding the range of the benefits provided.

(e) *Consumer Co-operatives* :

The Association is not aware of the reasons why the co-operatives on tea estates did not prove satisfactory. At a meeting of the Assam Standing Labour Committee held in May, 1966 it was decided that a committee should be set up to go into the workings of existing co-operative stores as well as to investigate the reasons for the failure of those co-operative stores which had been forced to close down. This committee is still carrying out its investigations.

The Government of India have estimated that the establishment costs of a co-operative store of Rs. 6,000/- per annum can only be met if the store has a sales turnover of Rs. 1 lakh per annum with earnings at 6%. As tea estates issue foodgrains to their workers at concession rates, co-operative stores will not be able to undertake the issue of foodgrains, and without foodgrains the stores would not be able to reach the turnover of Rs. 1 lakh per annum which is necessary to make them viable units. It is believed this is the main reason why co-operatives have not proved satisfactory on tea estates. Other possible reasons are :—

- (i) Workers are used to getting their supplies on credit from local shop keepers and they will not patronise the co-operatives unless they are allowed similar facilities;
- (ii) It is difficult to recover dues when excessive credit has been given;
- (iii) Co-operatives are usually run on the basis of voluntary service and once the initial enthusiasm wears out, supervision tends to become slack leading to embezzlement and leakage of stocks;
- (iv) Without wholesale co-operatives the co-operative units are unable to obtain supplies at sufficiently low rates which result in very low profits.

LABOUR HOUSING

Copy of a letter No. 2086 dated 14th February, 1968 addressed by the Secretary, Consultative Committee of Plantations Associations to the Secretary to the Government of India, Ministry of Labour, Employment and Rehabilitation, New Delhi.

I am directed to address you on the subject of the progress in the matter of labour housing in North-East India vis-a-vis the requirements of the Plantation Labour Act and Rules.

2. As you are aware, under the Plantations Labour Act and Rules tea estates are required to build houses annually for 8% of their workers. This target was fixed over fifteen years ago in a certain set of circumstances and related to kutchha houses. Since that time wages, taxes and other plantation costs have greatly increased, entailing a decline in the resources of the Tea Companies. Simultaneously the house specifications themselves (now exclusively in respect of pucca houses) have been made more elaborate and the costs of construction have risen very appreciably. In consequence of these factors the Industry has not been able to maintain the required annual 8% target.

3. In addition, in February, 1963 the Assam Government introduced a revised specification for labour which not only went far beyond their own earlier specifications but went beyond the specifications of other States and those recommended by the Working Group on Plantations Labour Housing in their Report of 1964. As the cost of building to the revised specifications very greatly exceeded the Industry's resources, the housing programme in Assam inevitably suffered whilst a modification of the State Government's proposals was being debated and considered by the parties concerned. The Consultative Committee is pleased to be able to report that it has recently concluded bilateral negotiations with the trade unions,

concerned in Assam in which modified specifications have been agreed in respect of a suitable house which can currently be built for a figure not exceeding Rs. 3,800/-, this being the ceiling cost for subsidy and loan under the Subsidised Housing Scheme for Plantation Workers.

4. The Industry has received the Government of India's Letter No. 6(1)67-Fac.1 dated the 4th August, 1967, giving details of the Subsidised Housing Scheme for Plantation Workers under which tea estates will be able to obtain from the State Governments concerned loans to the extent of 50% of the cost of their housing programme and subsidies to the extent of 25% of the cost, subject to a ceiling cost of Rs. 3,800/- per unit. It has been left to State Governments to prescribe the type of houses and detailed scales of accommodation having regard to the availability and cost of land, construction costs, economic conditions of the plantations, wages etc., and the State Governments should therefore ensure that the specifications prescribed by them do not involve costs exceeding this ceiling.

5. While the Industry welcomes the Government's announcement of a subsidy and loan scheme for plantation housing it is submitted that the financial implications thereof may not have been fully considered. In view of the factors referred to in paragraphs 2 and 3 above, the housing programme has been delayed and there is still a substantial number of units outstanding. The Consultative Committee has collected data from its members and although this is not complete in all respects, an assessment of the Industry's total housing programme has been made and this may be assumed to be broadly accurate. According to this assessment 3,62,012 houses were to be constructed on tea estates in North-East India out of which 1,87,243 houses have been constructed, leaving a balance of 1,74,769 houses still to be constructed.

6. At a construction cost of Rs. 3800/- per house the total cost of completing the outstanding programme of 174,769 houses will be Rs. 66.41 crores of which :—

Rs. 41.00 crores would be incurred in Assam

Rs. 23.72 crores would be incurred in West Bengal

Rs. 1.69 crores would be incurred in Tripura.

7. Clearly such a colossal financial burden would have to be spread over a number of years and were the Industry even to continue construction of houses at the prescribed target of 8% of the original programme, the annual cost would still remain exceptionally high as the following table indicates :—

<i>P E R A N N U M</i>				
	Assam	West Bengal	Tripura	Total
No. of Houses	18217	10275	469	28961
Total Cost	Rs. 6.92 crores	Rs. 3.90 crores	Rs. 0.18 crores	Rs. 11.00 crores
Proportion falling to be made available by the State Governments in the form of loan (50%)	Rs. 3.46 crores	Rs. 1.95 crores	Rs. 0.09 crores	Rs. 5.50 crores
Proportion falling to be made available by the State Governments in the form of Subsidy (25%)	Rs. 1.73 crores	Rs. 0.98 crores	Rs. 0.04 crores	Rs. 2.75 crores
Total to be made available by the State Governments	Rs. 5.19 crores	Rs. 2.93 crores	Rs. 0.13 crores	Rs. 8.25 crores
Proportion to be financed by the Industry	Rs. 1.73 crores	Rs. 0.98 crores	Rs. 0.04 crores	Rs. 2.75 crores

8. It is pointed out that the loan is only payable after construction has been completed and on production of accounts whilst the subsidy is receivable only in staggered payments. The Industry's initial annual outlay therefore could be upwards of Rs. 8.25 crores.

9. With the decline in resources referred to in paragraph 2 above, the Industry's ability to finance and undertake productive developments in the forms of, planting, factory modernisation, etc. is severely strained. The Industry already invests well over 50% of its profits after taxation in capital development and there is no question of their having sufficient resources available to undertake an annual housing programme of the magnitude set out above. The Industry further submits that the Central and State Governments may not have appreciated the extent of their liability in the form of loan and subsidy for the execution of the housing programme at the prescribed 8% target.

10. The Industry does, however, recognise its duties to its workers and is anxious that the housing programme should be completed as expeditiously as may be practicable within their and the Government's resources. It is therefore suggested that the annual targets be modified to a level that is within the resources of both the Industry and the State Governments concerned, and it is perhaps for consideration whether despite the financial difficulties tea estates may attempt to achieve an annual target equivalent to 4% of the outstanding balance of houses. It must, however, be added that for certain economically weak and uneconomic estates in all districts and for most estates in depressed districts, for example in Cachar, the Terai, Goalpara and Tripura where arrears of housing are greater than, say, in the Assam Valley or the Dooars, even this modified programme is likely to be beyond the resources of estates, and a generous degree of flexibility would be necessary in the application of the building programme to individual estates thus affected.

The achievement of the revised programme will also depend on the extent to which loans and subsidies are granted by the State Governments as well as on the prosperity and resources of the Industry which are proverbially variable and fluctuating and on the scheme of taxation adopted by the State Governments.

The revised programme also assumes that the subsidy will not be treated as income for income tax purposes and that all expenditure by estates on housing be treated as revenue expenditure.

11. We would welcome an early indication of the Government's views.

FIREWOOD AND COMPLIMENTARY BLACK TEA

Copy of the Agreement reached between the Darjeeling Branch Indian Tea Association and the three major unions in Darjeeling.

1. *Name of the Parties :*

The Darjeeling Branch Indian Tea Association, the Club, P.O. & Dist. Darjeeling, and the Darjeeling District Chiya Kaman Shramik Sangha, P.O. & Dist. Darjeeling, the Darjeeling District Chia Kaman Mazdur Union, Chowk Bazar, P.O. & Dist. Darjeeling and the National Union of Plantation Workers, West Bengal, Chowk Bazar, P.O. & Dist. Darjeeling.

2. *Representing the Branch :*

Shri A. N. Banerjee, Branch President,
Shri A. C. Purohit, Branch Committee Member,
Shri N. L. Gupta, Branch Committee Member,
Mr. K. M. Hutchison, Secretary & Labour Adviser,
DBITA.

3. *Representing the Unions :*

Shri N. L. Gurung, Vice-President, the Darjeeling District Chiya Kaman Shramik Sangha,

Shri A. P. Pathak, Secretary, the Darjeeling District Chiya Kaman Mazdur Union,

Shri P. B. Gurung, General Secretary, the National Union of Plantation Workers, West Bengal.

4. *Short Recital of the Case*

In the past there has been no standard scale of quantity of firewood to be made available to Staff and

Labour on member gardens and for the last eighteen months there have been a considerable number of disputes raised by workers over the quantum that might be made available to them by Management. In view of this and in view of the Staff and Workers' demands that a certain quantity of complimentary tea should be given to them it was decided that joint negotiations with a view to standardising the conditions and scale for these items should be held with the Unions concerned. After a series of meetings between the parties the present Agreement was drawn up.

TERMS OF SETTLEMENT

5. *Firewood :*

Shortage of Firewood

- A. It is appreciated and agreed by both parties that there is an acute shortage of firewood and that the shortage of fuel available for the permanent tea garden workers can only be overcome by the gradual part replacement of firewood by soft coke.

(Should soft coke not be available the parties agree to meet and discuss ways and means of overcoming the situation.)

Basic Allotment

- B. It is agreed that the basic allotment for fuel for Permanent workers and staff will be effective from and inclusive of the year 1969 as under :

Permanent Workers—8 mds. of firewood per year

Permanent Child

Workers

—4

"

"

"

"

"

"

"

Permanent Tea Makers (if not made Sub-Staff by the pending Tribu- nal)	-10 mds. of firewood per year
Other Monthly Ra- ted Employees— Grade III	-12 „ „ „ „ „
Other Monthly Rated Employees— Grade II	-15 „ „ „ „ „
Other Monthly Ra- ted Employees— Grade I	-25 „ „ „ „ „
Technicians—Grade 'C'	-25 „ „ „ „ „
Technicians—Grade 'B'	-50 „ „ „ „ „
Medical—Grade III	-40 „ „ „ „ „
Medical—Grade I	-100 „ „ „ „ „
Clerical—Grade III	-60 „ „ „ „ „
Clerical—Grade II	-75 „ „ „ „ „
Clerical—Grade I	-100 „ „ „ „ „

Special Case Gardens—Basic Allotment

- C. (a) It was agreed that, on those few gardens where because of financial non-viability they had been unable to issue firewood upto the scale as shown below as applicable to Permanent Daily Rated Workers, Permanent Tea Makers and other Monthly Rated Employees—Grade III, II and I, these few gardens would make available a basic

allotment of fuel from and inclusive of the year 1969 as follows :—

Permanent Daily Rated
Workers— 12 mds. per household per year

Permanent Tea Makers
(if not made Sub-Staff
by the pending Tribunal)—14

Other Monthly Rated Employees—Grade III	} 18 maunds per house- hold per year.
.. .. . —Grade II	
.. .. . —Grade I	

Technicians—Grade 'C'	} The same quantity as per paragraph 5B above but on a household basis.
Technicians—Grade 'B'	
Medical —Grade III	
Medical —Grade I	
Clerical —Grade III	
Clerical —Grade II	
Clerical —Grade I	

(b) In order for any garden to be able to come under this clause (Paragraph 5C) the member garden will have to apply in writing to the D.B.I.T.A. giving full details of their past issues and scales by categories of issues for the last five years. Each case will be scrutinised by the D.B.I.T.A. and Union Representatives (Branch level) to give final approval or otherwise of their claim.

(c) The basic allotment quantities mentioned above will be on a household basis and each household will only be entitled to the quantity authorised for the senior category living in that household.

(d) The provisions of this paragraph 5C pertain to and are only applicable to those special case gardens as defined and authorised in accordance with sub-paragraph 5C (a) and (b) above. Except for paragraph 5B—SPECIAL ALLOTMENT, all other provisions of this Agreement are binding on these special case gardens.

D. (a) There will be no reduction in the existing scale on gardens, or in cases where the basic allotment has been laid down or is customarily made available at higher rate than in para 5B above. However, new incumbents whose first basic fuel allotment will be made for the year 1969 or in a subsequent year, will only be entitled to the allocation as per scales given in para 5B.

(b) The basic allotment of fuel to be made available, if in firewood, will only be made from :—

(i) Firewood from Forest Coupes.

(ii) „ „ Forest Clear Felling.

(iii) „ „ Selected Felling.

(iv) „ „ Garden allocated selected shade trees
(when made available by Management).

(v) „ „ Garden uprooted tea bushes.

Past practice on all gardens with regard to staff or workers being allocated any of the above items over and above the quota, will not be allowed to continue and will be discontinued with immediate effect.

(c) Past practice, in respect of the following items of firewood will be allowed to continue and will be over and above the agreed basic allotment.

(i) Dead or dying branches from garden trees, as per present garden practice.

(ii) Shade tree stumps.

(iii) Garden forest tree stumps.

(iv) Dead Bamboos.

(v) Heavy prunings—at the discretion of the Management.

*Note :—*Light prunings will not be allowed to be taken for firewood by Staff or Workers.

(d) With the exception of staff and those employees whose basic allotment of firewood is customarily delivered to or as near as possible to their homes, the basic allotment of firewood will be made available from a central place. However, in cases where workers have to carry firewood a disproportionate distance to their homes and where it would not place an unreasonable extra financial or administrative burden on the Management, the opening of one or even two temporary distribution points on the main vehicle axis route through the garden may be considered by Management. However, there will be only one central distribution point in the case of soft coke. Management may also allocate basic allotment of firewood as per paragraph 5D(b) obtained from gar-

den sources from the areas from which this is available.

E. *Soft Coke—Gradual introduction*

- (a) It is agreed that a maund of soft coke is equivalent to 3 maunds of firewood, i.e., the ratio is 1 : 3 : Soft Coke : Firewood.
- (b) It is agreed that as it may not be possible for all gardens to make available sufficient firewood to implement the Basic Allotment scales, as given in para 5B or 5C above, for the year 1969 and thereafter, those gardens with a shortfall of firewood for the year 1969 will make available 25% of the Basic Allotment in firewood, for kindling purposes, and the equivalent of 75% of the scale in soft coke (1 maund soft coke is equivalent to 3 maunds of firewood) to the following categories of staff :—

Clerical Grade I
Clerical Grade II
Clerical Grade III
Medical Grade I
Medical Grade III
Technicians Category B.

Other categories of staff and workers will be made their basic allotment in firewood only, for the year 1969

- (c) The Basic Allotment for 1970 and onwards be made available to all staff and workers as a 100% firewood allotment, or alternatively, consisting of not less than 25% of the basic allotment in firewood and the balance in soft coke (1 maund of soft coke is equivalent to 3 maunds of firewood).

Management have the right to decide what percentage will be given in soft coke and what percentage will be given in firewood. However, not less than 25% will be given in firewood.

6. *Complimentary Black Tea :*

- A. It was agreed that the benefit of receiving complimentary black tea is a privilege and not a right and that temporary workers will have no claim to such a privilege.
- B. It was agreed that from inclusive of the month following the month in which this Agreement is signed the following scales of complimentary black tea will be effective :—

Permanent Daily Rated Workers (inclusive of Tea Makers, if they are not made Sub-Staff by the pending Tribunal) —250 gms. of Broken/Stalky tea, fit for human consumption, per month per head.

Other monthly Rated Employees—Grade III	} 375 gms. per head per month.
“ “ “ “ —Grade II	
“ “ “ “ —Grade I	
Technicians—Grade ‘C’	

Technicians—Grade ‘B’	} 500 gms. per head per month.
Medical —Grade III	
Medical —Grade I	
Clerical —Grade III	
Clerical —Grade II	
Clerical —Grade I	

Entitlement to the above quotas of complimentary black tea will be dependant on the employees shown above working for a minimum of three days in each week of the calendar month. Failure to complete this minimum qualification in any of the above mentioned weeks will lose the employee his whole entitlement of complimentary black tea for that month. It is agreed that paid National and authorised Festival Holidays, earned leave and authorised sick leave will count as working days.

- D. Complimentary black tea will normally be issued monthly but in cases where the Management are unable to do this, the year's quantity may be spread over the six months manufacturing season. Where the issue is made in advance, any adjustment to be made with regard to the failure of a worker to qualify for a month's entitlement will be adjusted when the next issues are made.
- E. Where gardens are already issuing complimentary black tea to the above mentioned entitled employees in excess of the quantities shown above, no reduction in entitlement will be made, but new entitled employees will only be authorised complimentary black tea in accordance with the scales etc. of this Agreement.
- F. Excise Duty will be paid on this complimentary tea by the Management.
- G. The practice of issuing liquid tea will be stopped with effect from the date of the first monthly issue of complimentary black tea.
- H. The Unions undertake to co-operate with the Management in their actions to prevent and stop the pilferage and theft of green leaf and made tea. The Unions will also take disciplinary action against such offenders.
- I. This Agreement will be reviewed in January 1972 if their party considers it necessary.

Representatives of the Branch

Sd/- A. N. Banerjee.

Sd/- N. L. Gupta.

Sd/- K. M. Hutchison.

Representatives of the Unions

Sd/- P. B. Gurung.

Sd/- A. P. Pathak.

Sd/- N. L. Gurung.

ASSAM GOVERNMENT'S LAND SETTLEMENT
POLICY, 1968.

*Extracts from a Government of Assam Resolution on Land
Settlement Policy, 1968 dated the 20th January, 1968.*

Having considered the present conditions prevailing in Assam and high pressure on agricultural land, Government is pleased to re-state the Land Settlement Policy as follows :

Settlement of Land

(i) Settlement of land will be given on the basis of a family. A family consisting of husband and/or wife, as the case may be, and sons and daughters (excluding married sons and daughters having separate mess) would be treated as one family.

(ii) All settlement of Government agricultural land for ordinary cultivation shall henceforward be made with the actual tiller of the soil only, that is to say, with a person who actually cultivates the land himself.

(iii) No person already having more than 10 bighas of agricultural land either in his own name or in the name of any member of his family shall be entitled to settlement of any new Government land for the purpose of cultivation.

(iv) The area to be settled per family, whose existing total holding is less than 10 bighas, shall be so much as will, together with any land already held, make the total holding equal to 10 bighas, but priorities in settlement shall be determined in the following order :—

- (a) those who have no land;
- (b) those who have lands below 5 bighas;
- (c) those who have lands between 5 bighas and 8 bighas;
- (d) those who have lands above 8 bighas.

(v) Land for homestead purposes may be settled upto a maximum of 2 bighas with a homeless rural family. This would be exclusive of the land mentioned in (iv) above.

Besides, for the purpose of settlement of homestead lands, settlement-holders who have been rendered landless due to flood, erosion, requisition or acquisition will get preference over other landless persons.

(vi) In case of all new planned settlements in large blocks of 100 bighas or more, except those which have already been taken up under the Five Year Plans, a Gram Sabha will be formed on the line of a Gram Sabha under the Gramdan Act to manage and plan the pattern of cultivation in general and also to watch that allottees do not make any transfer of their allotment without the permission of the Gram Sabha. However, cultivation on co-operative or collective basis will be encouraged even in lands under such Gram Sabhas. In giving settlement on the Gramdan pattern, the names of individual allottees should be distinctly recorded and possession of their lands clearly demarcated.

Further, it should be ensured that facilities for co-operative finance to the allottees on the Gramdan pattern are made available, as otherwise due to non-transferability of land, such allottees may find difficulty in raising finance for agricultural operation. For that purpose, the members of the Gram Sabha should be encouraged to form Co-operative Credit Society.

(vii) While encouraging formation of Co-operative Farming Societies the district authorities shall ensure that no person having lands above 10 bighas may get new lands by being a member of any such society. Such person may, however, be allowed to join such Co-operative Society only when he agrees to pool his own cultivable lands with the co-operative of landless tillers.

(viii) Selection of allottees for settlement of land in any case which involves more than 10 bighas will henceforward be made in consultation with the local Land Settlement advisory Committee. A panel of landless cultivators should be prepared by every Gaon Sabha formed under the Panchayat Act and this panel should be consulted when selecting allottees for settlement of land in rural areas. Government, however, reserves the right to earmark special areas of homestead and cultivable lands, for settlement with people rendered homeless due to flood, erosion, requisition or acquisition and with displaced persons whom Government undertakes to rehabilitate.

(ix) When surplus lands from tea gardens are requisitioned and acquired for cultivation by landless cultivators, an area up to 50% of such land should be allotted to the unemployed tea garden labourers who have no land for cultivation.

Land Reform Measures

Without appropriate land reforms, the actual tiller of the soil cannot be enthused to take measures for improving production. In this context, it may be pointed out that Government has already acquired (i) the interests of Zaminders, Jotedars and other intermediary right-holders in 50 lakh bighas of land in permanently settled areas of Goalpara and Karimganj under the Assam State Acquisition of Zamindari Act, (ii) the interests of land-holders beyond the ceiling limit in 1,16,000 bighas of land in the temporarily settled areas, under the Assam Fixation of Ceiling on Land Holdings Act and (iii) the interest of the 76 religious institutions in an area of 1,46,200 bighas under the Assam State Acquisition of Lands belonging to Religious or Charitable Institutions of Public Nature Act.

(i) But Government feels that there is scope for further tightening the principles of the Land Ceiling Legislation. It has, therefore, been decided as follows :—

(a) The ceiling under the Assam Fixation of Ceiling on Land Holdings Act should be reduced to 100 bighas in place of 150 bighas. The ceiling on land-holdings is based on the consideration that it should not only cover an area required by an average family to have a reasonably fair standard of living at the present moment but should also provide for the needs of the expanded family in the near future. No doubt, the size of such family holding may vary according to class of soil, pattern of cropping and technique of cultivation, but for administrative convenience the ceiling has to be fixed on the basis of an average size. When the Act was originally passed in 1956, the matter was liberally treated in view of the initiation of this new concept into the society and in view of the fact that the problem of landless cultivators was not so acute at that time as it is now. But Government has since re-examined the matter in the light of the present agricultural conditions of the State and the problem of unemployment and under-employment prevailing among the rural population and considers that an area of 100 bighas cultivated by modern scientific methods would be the more appropriate average size which would ensure a reasonable standard of living for an average family till some time to come which is not too distant in future.

(b) Exemption of land held for special cultivation should be strictly defined in the Ceiling Act, with clear direction for determining the surplus area.

(c) Land utilised by efficiently managed agricultural farms on which heavy investment or structural improvement has been made should be exempted only if and when certified by Commissioner of Agricultural Production or by any other officer duly empowered by the Government.

(d) Land held by a co-operative farming society for cultivation of sugarcane need not be exempted specially, since there

is already a separate provision for co-operative farming society in general.

(ii) (a) Government also feels that the rights and protections conferred on tenants and adhiars under the existing Acts, have not been found to be adequate. To meet this situation, proper legislative and administrative measures have to be initiated. The adhiar should be enabled to have the status of a tenant by amending the Tenancy Acts.

(b) Certain beneficial provisions of the Adhiar Protection Act, should be incorporated in these Acts, and the Adhiar Protection Act may, if necessary, be repealed.

(c) Preparation of records of rights of adhiars and tenants should be completed expeditiously and where these have been already prepared, brought up-to-date forthwith. For this purpose returns should be called for from the adhiars and tenants by the local Sub-Deputy Collectors.

(iii) The Land Reforms Board and the administrative machinery for implementation of land reforms should be strengthened by proper re-organisation.

For this purpose Government intends to initiate necessary measures with the least possible delay.

FLOODS IN NORTH BENGAL

*Memorandum submitted by the Tea Industry in Darjeeling
to the Government of India.*

As a result of the torrential rains and consequent floods and landslides which occurred in the first week of October in the Darjeeling Hills, the Tea Industry in that region has suffered severely and a number of individual estates are unlikely to recover unless substantial aid is forthcoming from Government at an early date. Even before the disaster took place the Tea Industry in the Darjeeling Hills was in a serious economic state due to the very rapid rise in production costs and owing to the low yields obtained, due to over-age bushes, as was pointed out to the Tea Board earlier in the year in a Memorandum which showed that over 50% of the existing mature tea in the Darjeeling Hills was either marginal or uneconomic. As nearly 40,000 workers are employed by the Tea Industry in the Darjeeling Hills, and as there is no other Industry in the border area, the economic disaster which is facing the Darjeeling Tea Industry will have serious economic repercussions over the whole district.

2. To give an idea of the damage sustained by the Darjeeling Tea Industry the figures of damage submitted by 71 tea estates out of 75 tea estates are listed below :—

- (a) Total area under tea damaged (Equivalent to the loss of 7 average size tea estates). ... 3,255 acres
- (b) Total area under tea damaged as a percentage of the total area under tea ... 8.54%
- (c) Other land (not under tea) damaged:
 - (i) Land suitable for tea ... 1,737 acres
 - (ii) Land under thatch and forests ... 2,554 acres
 - (iii) Land suitable for grazing ... 676 acres

- (d) Estimated replacement cost of plant
and machinery damaged ... Rs. 15 lakhs
- (e) Estimated value of damage caused to
buildings of all descriptions, including labour houses ... Rs. 47.8 lakhs
- (f) Estimated value of damage caused to
roads and bridges ... Rs. 34 lakhs
- (g) Estimated loss of made tea will be approximately 700,000 kgs, which is equivalent to Rs. 70 lakhs, which represents a loss of Rs. 56 lakhs of foreign exchange (80% of Darjeeling teas being exported).

3. It may be noted that, as a result of the above loss of tea-bearing land, it is likely that approximately 4,000 workers may have to be retrenched, causing considerable hardship to them and their dependants, numbering approximately 6,000, *i.e.* 10,000 in all. Certain estates have already notified the Labour Commissioner of their need to retrench.

4. All tea estates in the Darjeeling Hills have suffered considerable damage or loss, in one way or another, but some estates have lost from 5% to 25% of their tea-bearing land besides, in some cases, miles of roads, as well as bridges, culverts and labour quarters, which will have to be rebuilt, flume lines, forest and thatch land, and even factories; one factory has been lost and others will have to be moved owing to their being rendered unsafe. Such estates will, in all probability, have to close down or be put in the hands of Receivers, unless substantial Government aid is given quickly.

5. It may also be noted that there are five tea estates already in the hands of Receivers.

6. Apart from the enormous damage that tea estates have suffered, the closure of the Hill Section of the N. F. Railway from New Jalpaiguri Station to garden railheads and Darjeeling will cause a very large and unbearable rise in costs. All garden stores such as fertilisers, coal and fuel, cement and C.I. Sheet-
ting, and foodgrains will have to be transported now by truck from New Jalpaiguri Station to tea estates at a cost of approximately Rs. 10/- per quintal. Moreover, an organisation will have to be set up to note the arrival of the stores so that they can be lifted immediately to avoid demurrage, while transport agents will have to pay for and obtain licences to ply from New Jalpaiguri Station to estates. All this will add very considerably to the estates' costs, which will be beyond their ability to pay.

The Darjeeling Tea Industry's requirements for rehabilitation are :—

(a) *Excise Duty*

Total abolition of excise duty in respect of all estates as follows :

- | | | |
|---|---|------------------------|
| (i) estates which have lost up to 2% of their tea-bearing land. | — | exemption for 1 year. |
| (ii) estates which have lost between 2% to 4% of their tea-bearing land. | — | exemption for 2 years. |
| (iii) estates which have lost between 4% to 6% of their tea-bearing land. | — | exemption for 3 years. |
| (iv) estates which have lost between 6% to 8% of their tea-bearing land. | — | exemption for 4 years. |
| (v) estates which have lost between 8% to 10% of their tea-bearing land. | — | exemption for 5 years. |

- (vi) estates which have lost over 10% of their tea-bearing land. — exemption for 6 years.

As an alternative to the actual abolition of excise duty, the estates concerned may be given tax free grants equivalent to the amount of excise duty payable for the same periods. The total abolition of excise duty in the Darjeeling Hills on the remaining crop, after discounting that lost in the disaster, would mean a relief of Rs. 48.6 lakhs i.e. considerably less than the actual volume of the crop lost.

(b) *Fertilisers*

Sulphate of Ammonia and other fertilisers should be supplied to all tea estates in the Darjeeling Hills at the subsidised rate of Rs. 405/- per tonne for a period of 5 years. The Tea Board have suggested that tea estates should be reimbursed the total transport charges incurred on the movement of fertilisers from New Jalpaiguri to estates. It is considered that the proposal would be administratively difficult to implement. Moreover, the estates do not have the finance to incur the additional charges before their claims would be met.

(c) *Buildings*

A grant of not less than 25% of the replacement cost of building of all descriptions, including labour houses, plant and other installations, and bridges, should be given, the balance 75% requirements of finance to be made available in the form of loans on easy terms.

(d) *Tea Board Hire Purchase Scheme*

The Tea Board should consider favourably the extension of present loan repayments and raise the existing ceiling on the total hire purchase loans that an individual estate may take from the Board.

(e) *Sales Tax*

Total exemption for 5 years from Central Sales Tax should be granted on all items utilised in the manufacture of tea or purposes ancillary thereto, for example, on commodities such as coal, diesel oil, petrol, petroleum products, tea chests and tea chest fittings, motor vehicle parts, etc.

(f) *Replanting Subsidy*

It is understood Government may agree to grant the replanting subsidy for replacement planting. However, because of the need to clear forests and provide roads and terracing in replacement areas, the cost of such planting amounts to Rs. 15,000 per hectare and the subsidy should be pro-rata to this outlay.

(g) *Electricity Supplies*

A number of estates in the Sadar Division and the Kurseong Sub-Division receive supplies of electric power from either the Darjeeling Municipality or Kurseong Hydro Electric Scheme respectively. The disaster has put the Darjeeling Municipality generating schemes out of action while the Kurseong Hydro Electric installation has been damaged. As a consequence, supplies are obtainable only from the Jaldhaka Hydro Electric Project. It is vital, therefore, that estates receive their full requirements of electric power from Jaldhaka from the commencement of the 1969 manufacturing season. This will necessitate the quantity of power at present being supplied to both the Darjeeling Municipality and Kurseong being increased and instructions being issued to those concerned to ensure that the estates do, in fact, receive their full requirements of power.

EXPORT DUTY ON TEA

*Memorandum submitted by the Consultative Committee of
Plantation Associations to the Minister of Commerce,
Government of India.*

There is a strong case for the total abolition of Export Duty and the Consultative Committee fear that, unless this is done, Indian tea might suffer another recession, as it did in 1966. It was this fear that prompted the Consultative Committee to make urgent and repeated representations to the Government following the devaluation of the Pound Sterling and the Ceylon Rupee. Attached to this Note there are two tabular statements which illustrate the relative competitive positions of the four main producing countries. The disadvantage to the Indian producer is so great as not only to affect his immediate export prospects, but even the process of development which is essential if the Indian Tea Industry is to continue to compete under the pressures of a more vigorously expanding overseas tea industry.

2. Owing largely to imprecise comments by various quarters, a certain amount of confusion has arisen on the question of the competitiveness of Indian tea. The basic misconception is in regard to the effects of incidental taxation, such as Export Duty, Excise Duty, local States taxes, etc. There is a belief that if the Export Duty on tea were to be reduced, or abolished, this would only enable the Indian producers to accept a lesser price for their teas on the international market, with lower earnings in foreign exchange for the country. This is not correct and the following will explain the true position :--

3. The ruling world price offered by international buyers for tea, irrespective of where it is produced, is based on two factors only; the quality of the product offered, and the supply and demand position obtaining at the time in that range of

quality. If there is a shortage of tea of a particular type as, for example, in mid-1967, prices will rise; if there is a surplus (as there is today), prices will fall. The Consultative Committee is confident that any buyer will confirm that these two factors alone govern the international price level and certainly it is of no interest whatsoever to the buyer, what internal duties—such as Excise—are levied on the producer; these are of as little concern to him as, say, the level of our labour wages, our fuel costs, etc., and if such duties were abolished today, a tea which obtained 5 shillings per lb. in London yesterday would fetch the same price tomorrow, given a consistent supply and demand position.

4. In principle, it is the same with Export Duty. On teas directly consigned to overseas auctions, this Duty is paid by the producer and is simply an additional tax on him, and where the producer sells on the Calcutta or Cochin Auctions for export by a buyer, the latter can obviously be expected to deduct his outlay on Export Duty from the international ruling price, to arrive at his bid in the auction. Either way, therefore, Export Duty is as much a levy on the producer as are the Excise Duty and State Taxes.

5. The sole effect of such Duties and Taxes is thus to increase the producers' costs of production and to reduce the margin of profitability on the working of the estates. Darjeeling teas might be taken as an example to show how seriously the producers' profitability is, in fact, reduced. The average cost of production and delivery of such teas to auction, in the season just ended, was Rs. 10.14 per kilogram whilst the average selling price on the Calcutta auctions was Rs. 10.65 per kilogram, giving a margin of only 51 paise per kg. to the producer. However, the producer's cost of production included 77 paise per kg. in terms of Excise Duty and West Bengal Entry Tax, whilst it must be presumed that the auction price was arrived at after the buyer had discounted Rs. 2.04 in Export Duty. Conse-

quently, had none of these Duties and Taxes been applicable, the profit margin to the producer would have been Rs. 3.32 per kg, or some six times as great as the actual figure of 51 paise per kg.

6. In Darjeeling, of course, as in other 'quality districts,' costs of production are high because of the very low yields per acre but throughout India, the principle is similar. Our competitors in Ceylon and particularly in East Africa are, on the other hand, much better placed financially. Firstly, the climatic conditions in these equatorial countries permit of year-round production. Although South India is similarly placed, in North-East India, where the bulk of India's tea is grown, the production season is compressed into about eight to nine months with a high peak over about four months only. The annual crop flow in East Africa and Ceylon is consequently much more evenly spread over the year than in North-East India and, therefore, the size of factories, labour employment, etc., in competing countries is considerably lower than is necessary to handle the same annual crop in North-East India. Immediately, therefore, our competitors have a basic advantage in cost of production. Our East African competitors also have a further distinct advantage in freight costs to the principal international market in London.

7. These cost advantages to our competitors are inherent and there is little that can be done about it but, simultaneously, they also enjoy *considerably* lower duty levels than are applicable to the Indian producer. Indeed, the leading production districts of North East India, which suffer the inherent costs of a compressed production year and the maximum freight costs to the point of export, also pay the highest level of Excise Duty applicable anywhere in the world. This Duty, together with Export Duty and other taxes, thus serves to inflate North-East India production costs out of all proportion to those of their competitors in other countries.

The first of the two statements attached shows comparative current gross costs (inclusive of duties and cesses) for Kenya, Tanzania, Ceylon and North-East India. For direct comparison purposes, the costs in all cases have been taken up to delivery at the London Auction. It will be noted that North-East India tea is currently landed at that Auction at an equivalent cost of 4 shs. 1.9d. per lb. The comparative figures for other producing countries are: Ceylon 3 shs. 10.9d. per lb, Tanzania 2 shs. 7.3d. per lb and Kenya 2 shs. 6.4d. per lb. These are, in all cases, average figures and, of course, the high-yield, low-quality producers' figures will be somewhat lower for all countries, whilst the reverse will apply to the high-quality producers.

8. Nonetheless, however one looks at it, the North-East India producer is compelled to land his tea in London at a higher, and often considerably higher cost than his competitors and two major disadvantages to India stem from this :—

- (i) The North-East India producers' profit at a given sale price is obviously very much lower than that of their competitors; this even applies in the case of South India, despite the fact that the production cycle there is comparable to the competing countries. (Examples will be found in the second statement attached.) It follows that Indian producers have less finance available than their competitors, not only to pay a reasonable return to the investor in the Indian Industry, but also—and of greater significance—totally insufficient for ploughing back into their estates in modernisation, development and expansion. Any doubt on the relation between profit margin and the rate of estate development, will be dispelled by a brief on-site visit to Kenya, where the profit margin is the highest and hundreds of acres of new tea are being put out annually by that country's Tea Development

Authority, whilst the new factories being erected to manufacture this tea are the last word in modern efficiency.

Clearly, therefore, East Africa is going to produce more and more fine quality teas at India's expense and the effect of India's fiscal duties is, thus, to protect her East African competitors and to provide an umbrella under which they can develop and compete with us.

- (ii) The Indian producer clearly cannot afford to export to the London Auction any teas which are likely to obtain less on the international ruling prices than their cost of production and delivery to London. Such teas will, therefore, find their way into the relatively buoyant Indian internal market, leaving an open field in London to other competing countries. It must here be stressed that the U.K. and Continental buyers prefer to buy on the London Auction as the teas are already in Europe and are therefore not subject to unforeseeable delivery delays. This preference is so strong that U.K. and Continental buyers normally purchase from other auction centres only such teas as are not available in London.

9. The producers' landed cost in London is, therefore, the key to export volume. As this cost rises, the producer must inevitably ship less to the London Auction, where sale prices have not maintained a commensurate rise. The Indian producer need have few qualms about the consequent retention of increased quantities for sale in India: the rate of expansion of the Indian market is such that despite increasing retention in this country, the Indian auction prices have (subject to temporary fluctuations only) shown a steady upward trend over a period of several years.

10. As the first enclosure indicates, the landed cost in London for North-East India tea (which constitutes 87.6% of India's consignment exports) stands today at 4 shs. 1.9d. per lb. However, at the commencement of the last production season, in April, 1967, it stood at 3 shs. 5.6d. per lb. and the increase of 8.3d. per lb. has been brought about by :

- (i) an increase of 2.4d. per lb. in basic production costs in North-East India (attributable to such factors as the application of tea cess to *all* production; a substantially higher subsidy in the supply of foodstuffs to estate workers; the annually increasing Dearness Allowance to such workers under the wage Board award; increased plucking rates awarded in Assam; improved workers' amenities awarded in all producing districts; the post 1968 Railway Budget transport costs; higher fuel and fertiliser costs; higher tea chest prices, etc.); and,
- (ii) an increase of 5.9d. per lb. arising entirely from the revised exchange rates, following devaluation of Sterling in November, 1967.

11. It will be noted from the attachment that the Export Duty currently payable on North-East India tea averages Rs. 1.14 per kg. or the equivalent of 6.89d. per lb. at current exchange rates; consequently, to restore the London landed cost to the level applicable at the commencement of the last production season (April 1967), it is not only necessary to abolish Export Duty entirely, but also to reduce other incidental Duties, such as Excise Duty, by the equivalent of 1.41d. per lb. *i.e.* 23 paise per kg.

12. Unless the former break-even point is restored, it is clear that all North-East India teas, likely to command less than 4 shs. 1.9d. per lb. in London, must be withheld from shipment during the current season. This will not only largely eli-

minate consignment exports of medium and common teas, but could also curtail the export of India's quality production, which up to the present, has been exported virtually in entirety. A brief reference to the current London sale reports will show that the top quality producers in Assam, such as the Jorehaut Tea Company and Assam Company, are today selling at or below the *average* London landed cost for North-East India and considerably below the higher costs applicable to such quality producers. The position does not differ in principle for South India producers.

13. The Commerce Ministry's report for 1967/68 shows that the additional tea exports in 1967 did in fact raise India's foreign exchange earnings substantially and clearly, therefore, if the London landed cost can be restored to the level applicable in April 1967, when the distribution of that season's crop was planned by the producers, this is very much in India's interests. This can be achieved by the measures proposed in paragraph 11 above.

14. At the same time, even at the level of London landed cost applicable in April 1967, India failed, in that year, to regain from Ceylon her position as the world's leading tea exporter and, consequently, there is clear justification for effecting yet a further reduction in the London landed cost of Indian tea and this could be effectively achieved by a drawback of Excise Duty on exports, *in addition* to that required in terms of paragraph 11 above.

It is conceded that a progressive lowering in Indian producers' costs could ultimately lead to a position where the greater weight of cheaper quality tea which could thus be exported, would so alter the supply-and-demand position for such tea as to make operative the law of diminishing returns in foreign earnings. It is thus desirable that the producer be placed in a

discretionary position in respect of additional exports of such cheaper teas and this could be achieved by a uniform reduction in Excise Duty, applicable both to teas consigned overseas and to those retained in India. Such a measure would have the dual effect of permitting Indian producers to export additional quantities when international prices were appropriate and of allowing them the margin of profitability on the working of their estates which is so essential, if they are to modernise and develop in competition with East Africa and elsewhere.

15. In summary therefore :

- (i) The level of India's tea exports in 1968 can only be restored to the volume and value applicable in 1967 by :
 - (a) abolition of Export Duty; and,
 - (b) a reduction in Excise Duty of 23 paise per kg.

Bearing in mind that the 1968 North-East India crop is about to come on the market, effective action in this respect is urgently necessary.

- (ii) To increase the level and value of India's exports over and above that of 1967 and simultaneously, to permit of a financial return to Indian producers, which is sufficient to modernise and develop their estates in competition with East Africa and elsewhere, further reductions in Excise Duty are essential.

16. Finally, it is the considered view of the Consultative Committee that such measures, whilst meeting the immediate situation are, in the long term, inadequate in themselves. With the rapidly expanding production in East Africa and elsewhere, the world supply of tea will increasingly outstrip the demand and thus further depress international prices, *unless* all possible steps are taken to expand the world demand. The need for a

major, intensive and sustained campaign of promotion in all consumer countries is therefore equally pressing. The fact that, in 1967, a comparatively modest campaign in the U.K halted the decline in consumption in that country and, indeed increased the per capita consumption by as much as 6.9%, is indicative of the immense value of intensive propaganda.

APPENDIX I

Comparative Cost—N. E. India, Ceylon and East Africa

	Kenya (in Rs. per kg.)	Tanzania (in Rs. per kg.)	Ceylon (in Ceylones Rs. per kg.)	N. E. India (in Rs. per kg.)
1. Cost of Production upto export point...	3.96	3.96	3.52	5.21
2. Ocean freight and London Charges ...	1.01	1.01	1.02	1.12
3. <i>Duties</i>				
Assam Passengers & Goods Tax	—	—	—	0.02
Cess	0.04	0.02	0.17	0.04
Excise Duty	—	—	—	0.73
Sales Tax	—	—	0.56	—
Export Duty	—	0.20	0.88	1.14
4. Total	5.01	5.19	6.15	8.26
5. s/d per lb.	2/6.4	2/7.3	3/10.9	4/1.9

Notes : (i) Ceylon figures per kg. are quoted in Ceylon Rupees. All other countries are quoted in terms of Indian Rupees. The total rupee costs for all countries are converted to sterling at the current rates of exchange applicable.

(ii) N. E. India Cost of Production up to export point is based on figures provided by representative estates in the Assam Valley, Dooars and Cachar, weighted in proportion to the London Auction sales by each District. Districts such as Darjeeling and Terai, which do not normally consign to London Auctions, have been excluded.

(iii) Excise Duty on N. E. India tea has been weighted in proportion to actual sales on the London Auctions by the Districts concerned.

(iv) Export Duty on N. E. India teas has been taken at 20% of the actual average sale price in London in 1967, less permitted deductions for freight, etc. and subject to the 24 paise rebate in Duty currently admissible.

(v) Ceylon Sales Tax has been weighted in proportion to actual sales on the London auctions of teas from the High Grown, Medium Grown and Low Grown areas.

APPENDIX II

Comparative Profit/Loss at Given Sale Prices in London

	Kenya s/d	Tanzania s/d	Ceylon s/d	N.E. India s/d	South India s/d
London landed cost in s/d per lb.	2s.6.4d	2s.7.3d	3s.10.9d	4s.1.9d	3s.2.3d.
Profit/Loss @ 3s. 6d. per lb.	11.6d (Profit)	10.7d (Profit)	4.9d (Loss)	7.9d (Loss)	3.7d (Profit)
Profit/Loss @ 4s. per lb.	1s.5.6d (Profit)	1s.4.7d (Profit)	1.1d (Profit)	1 9d. (Loss)	9.7d (Profit)
Profit @ 4s. 6d. per lb.	1s.11.6d (Profit)	1s.10.7d (Profit)	7.1d (Profit)	4.1d (Profit)	1s.3 7d. (Profit)
Actual London Sale Average in 1967	4s.4.1d	4s.2.3d	4s.4.3d	4s.5.7d	3s.6.5d.
Profit per lb. @ Actual London Sale average	1s.9.7d	1s.7.0d	5.6d	3.8d	4.2d.

SEMINAR ON EXPORT PROMOTION

Report of the Group on Export Promotion for Plantation crops

After considering at length the various aspects of the Plantation Industry, with particular reference to the present state of exports, this Group made the following recommendations towards the further improvement of exports of plantation commodities.

The major crops that have been considered in respect of export promotion are tea and coffee, while at present rubber does not require export promotion and on the other hand calls for a further effort at full scale import substitution with natural rubber produced within the country.

TEA

Notwithstanding the development of various manufactured articles which have been exported in recent years and have found a market of their own, for a long time to come the traditional exports of tea in particular will have to be promoted in the larger interests of the economy. The recent export performance of tea has to be viewed against the backdrop of a general fall in the unit value of world exports of the commodity. Figures for tea in the last few years have not shown progress either in the volume of exports or the price fetched. In this context, it is incorrect to conclude that this situation is attributable to an increase in internal consumption. There has been a continuous additional weight of tea in the world markets and this is the chief reason for the decline.

The cordial discussions recently concluded with Ceylon have opened the possibility of a wider understanding. It is recommended that the Governments of consumer countries be consulted also. We believe that an examination of these questions, for instance by the Governments of Ceylon, India, U.K.

and U.S.A. in full consultation with the producers and trade might reveal considerable common ground. The merit of including the Governments of the African producer countries is obvious. If nothing more ambitious than planned offerings of export type tea in the major auction centres can be achieved the effect on steadying unit prices might be considerable, particularly in the odd years when one or more of the major producer countries have a bumper crop.

Regulation of offerings, like price administration, can only be palliative. Long term prosperity inevitably depends on increased consumption. Now that outline agreement has been reached with Ceylon to examine generic tea promotion, we recommend the formation of a joint council for this purpose. If the African Governments can be associated so much the better.

In this connection we advise that the relevant recommendations of the Seminar on Tea held at Calcutta in June 1967 be borne in mind.

Promotion, be it generic or uninationa1, should be carried out by experienced specialists engaged along with all their staff on a completely commercial basis.

Another important factor in export promotion is the general need to reduce the cost of production, for without competitive cost of production the industry cannot generate the resources necessary to improve quality and modernise itself to compete in world markets. In the competitive world markets buyers take no account of national levies such as excise and export duties and it follows that these levies become closely analogous to increases in cost of production. At the present juncture, the position in the United Kingdom, as a consequence of the devaluation of the Sterling calls for immediate study and urgent measures to maintain and improve our position in that market.

In sum, therefore, it is recommended that the present system of marketing by auction should continue. The desirability of ensuring judicious world supply should be examined. The organisation and method of propaganda should be professionalised and the total effect of levies such as excise and export duty should be critically examined. It is understandable that the Tea Industry should be a source of revenue and provider of employment but these aspects must ever be subordinate to the Industry's role as a foreign exchange earner, because only in that role is the efficiency of the Industry measured against the efficiency of foreign industries. Unless comparative efficiency is maintained, the Industry itself must diminish.

COFFEE :

Though relatively small compared with world trade, Coffee export earnings are of considerable importance to India.

Nor is there any ground for complacency. Production is increasing faster than the moderate increase achieved in India's quota under the International Coffee Agreement. This calls for increased efforts to boost exports to non-quota countries, for there is assuredly a limit to the absorption of increased production by internal consumption at remunerative prices.

We urge that suitable incentives be considered to this end, particularly in the case of non-bilateral non-quota markets, where there appears to be considerable scope for increased Indian exports.

Without going into detail, we recommend a critical study of the effect of the present export duty and sales taxes on exports, particularly to the competitive non-bilateral non-quota markets.

This is not to argue that any relaxation be made in our efforts with the I.C.O. to secure the maximum possible increase in our quota under the I.C.A.

It is a generally accepted economic principle that a large, and viable home market is an excellent base for export trade.

The need to foster the internal demand for coffee with this object will be evident from the opening paragraphs on coffee and although this paper is principally concerned with exports we urge that the contribution to stability and hence to competitiveness of the internal demand for coffee should not be overlooked.

RUBBER :

As mentioned at the beginning, the problem of rubber in India is feeding its internal market. While there is no gainsaying that export promotion is of importance this objective will have to be complemented by import substitution also to prevent a needless drain on foreign exchange earnings. Presently, rubber production has maintained a steady increase and therefore, internal consumption will have to be promoted first and this can be done by giving a remunerative return, to the industry. Therefore, imports should be allowed only to the extent that indigenous supply is not able to satisfy the demand,

RULES OF THE INDIAN TEA ASSOCIATION.

*As amended at an Extraordinary General Meeting held on the
8th July, 1969.*

1. That the Association shall be styled the "INDIAN TEA ASSOCIATION", and shall have its headquarters in Calcutta.

2. That the objects and duty of the Association shall be to promote the common interests of all persons concerned in the cultivation of Tea in India.

3. That Proprietors, Partnerships, Companies (Public or Private) and bodies corporate engaged in the production of tea shall be eligible as members of the Association.

4. That applicants for admission as members shall be elected by the General Committee.

5. That the business and funds of the Association shall be managed by a General Committee consisting of fourteen representatives to be elected annually by members by voting papers circulated, provided that no member shall be represented concurrently on the General Committee by more than one gentleman. The result of the voting shall be scrutinised and declared at the Annual General Meeting of the Association, such Annual General Meeting to be held at such time in the month of February, or as soon thereafter as possible in each year, as may be appointed by the General Committee. The fourteen representatives thus elected to serve on the General Committee shall hold office for one year, and shall each be entitled to nominate an alternate from their own company/firm to represent them on the General Committee during their absence. The General Committee shall elect their own Chairman and Vice-Chairman and may in their discretion appoint a Stipendiary Assistant to the Chairman to be called and known as "Deputy Chairman" and to be *ex-officio* an additional member of the General Committee. Four members

of the General Committee to form a quorum. The Secretary, Deputy Secretary and Assistant Secretaries of the Bengal Chamber of Commerce shall be *ex-officio* Secretary, Deputy Secretary and Assistant Secretaries of the Association, and the business of the Association shall be carried on by the staff of the Bengal Chamber of Commerce in return for such remuneration as may be agreed upon, from time to time, between the General Committee of the Association and the Committee of the Chamber.

6. That the Association may be represented in the Tea Districts by existing Local Associations working in conformity with the Association's Rules, and by District Committees appointed for the purpose of carrying out the objects of the Association. Each District Committee shall be elected by the votes of the Superintendents and Managers of gardens situated in such district. Superintendents and Managers of gardens shall alone be eligible to serve on District Committees. In the elections of members to serve on District Committees the number of votes to which each Superintendent or Manager is entitled shall be based upon the area of tea cultivation under his charge as specified in rule 12. Each District Committee shall frame its own Rules for internal administration subject to the approval and confirmation of the General Committee. The General Committee may decide, when necessary, what groups of gardens shall be represented by District Committees.

7. That voting by proxy shall be allowed, provided proxies are in favour of members of the Association.

8. That for the purpose of defraying the expenses of the Association an annual contribution, based upon the production of tea, and to be fixed by the General Committee subject to confirmation at the next Ordinary General Meeting shall be payable by each company and private garden represented in the Association.

9. That the General Committee may whenever they think fit and shall, upon the requisition in writing of any seven members of the Association, convene an Extraordinary General Meeting.

10. That upon the receipt of such requisition, which shall specify the object of the meeting proposed to be called, the General Committee shall forthwith proceed to convene an Extraordinary General Meeting to be held within thirty days or the receipt of such requisition. Seven days' notice at the least, of all General Meetings shall be given to the members in writing or by advertisement in one or more of the Calcutta daily papers.

11. That no General Meeting shall be valid at which less than seven members shall be present either in person or by proxy.

12. That in all matters to be determined by the votes of members each member shall be entitled to one vote for each kilogram of tea on which subscriptions are levied under the terms of Rule 8.

13. That the Accounts and Reports of the proceedings of the Association shall be open to the inspection of members at convenient times, to be fixed by the Committee.

14. That an extraordinary General Meeting convened for the purpose may, by the votes of three-fourths of the members present, in person or by proxy, expel any member from the Association.

15. That any member may retire from the Association on giving six months' notice in writing to the General Committee of his intention to do so.

16. That the rules of the Association may be replaced or altered and new ones passed at any General Meeting, provided that the proposed alteration or new Rule or Rules shall be notified to the members at least one calendar month previous to such meeting.

INDIAN TEA ASSOCIATION

List of Chairmen from 1881-1969

1881	MR. A. B. INGLIS	...	Messrs. Begg Dunlop & Co., Ltd.
1882	„ J. J. J. KESWICK	...	„ Jardine Skinner & Co.
1883	„ A. WILSON	...	„ Jardine Skinner & Co.
1884	„ A. WILSON	...	„ Jardine Skinner & Co.
1885	„ A. WILSON	...	„ Jardine Skinner & Co.
1886	THE HON'BLE		
	D. CRUICKSHANK	...	„ Begg Dunlop & Co., Ltd.
1887	MR. J. F. MACNAIR	...	„ Begg Dunlop & Co., Ltd.
1888	„ J. F. MACNAIR	...	„ Begg Dunlop & Co., Ltd.
1889	„ J. N. STUART	...	„ Balmer Lawrie & Co., Ltd.
1890	„ J. N. STUART	...	„ Balmer Lawrie & Co., Ltd.
1891	„ J. N. STUART	...	„ Balmer Lawrie & Co., Ltd.
1892	„ A. G. WATSON	...	„ Williamson Magor & Co.
1893	„ J. N. STUART	...	„ Balmer Lawrie & Co., Ltd.
1894	„ J. N. STUART	...	„ Balmer Lawrie & Co., Ltd.
1895	„ H. S. ASHTON	...	„ Shaw Wallace & Co.
1896	„ G. A. ORMISTON	...	„ Balmer Lawrie & Co., Ltd.
1897	„ G. A. ORMISTON	...	„ Balmer Lawrie & Co., Ltd.
1898	„ G. G. ANDERSON	...	„ Williamson Magor & Co.
1899	„ G. G. ANDERSON	...	„ Williamson Magor & Co.
1900	„ H. C. BEGG	...	„ Begg Dunlop & Co., Ltd.
1901	„ H. S. ASHTON	...	„ Shaw Wallace & Co.
1902	„ LOCKHART SMITH	...	„ Williamson Magor & Co.
1903	„ H. C. BEGG	...	„ Begg Dunlop & Co., Ltd.
1904	„ LOCKHART SMITH	...	„ Williamson Magor & Co.
1905	„ LOCKHART SMITH	...	„ Williamson Magor & Co.
1906	„ LOCKHART SMITH	...	„ Williamson Magor & Co.
1907	„ G. KINGSLEY	...	„ Shaw Wallace & Co.
	„ G. KINGSLEY	...	„ Shaw Wallace & Co.
1908	MESSRS. { R. L. WILLIAMSON	...	Williamson Magor & Co. (from Aug. to Dec.)
1909	MR. T. MCMORRAN		Duncan Brothers & Co., Ltd.

1910	MR. T. MCMORRAN	...	Messrs. Duncan Brothers & Co., Ltd.
1911	„ W. WARRINGTON	...	„ James Finlay & Co., Ltd.
1912	„ G. KINGSLEY	...	„ Shaw Wallace & Co.
1913	MESSRS. {	G. KINGSLEY	„ Shaw Wallace & Co.
		A. D. GORDON	„ Williamson Magor & Co. (for Decr. only)
1914	MR. R. GRAHAM	...	„ James Finlay & Co., Ltd.
1915	MESSRS. {	R. GRAHAM	„ James Finlay & Co., Ltd.
		A. D. PICKFORD	„ Begg Dunlop & Co., Ltd. (for Decr. only)
1916	„ {	A. D. PICKFORD	„ Begg Dunlop & Co., Ltd. (upto April)
		A. D. GORDON	„ Williamson Magor & Co.
1917	MR. A. D. GORDON	...	„ Williamson Magor & Co.
1918	„ A. D. PICKFORD	...	„ Begg Dunlop & Co., Ltd.
1919	„ H. W. CARR	...	„ Balmer Lawrie & Co., Ltd.
1920	„ A. D. GORDON	...	„ Williamson Magor & Co.
1921	„ T. C. CRAWFORD	...	„ James Finlay & Co., Ltd.
1922	„ T. C. CRAWFORD	...	„ James Finlay & Co., Ltd.
1923	„ T. C. CRAWFORD	...	„ James Finlay & Co., Ltd.
1924	„ A. D. GORDON	...	„ Williamson Magor & Co.
1925	THE HON. SAMUEL J. BEST	...	„ Octavius Steel & Co., Ltd.
1926	MR. T. C. CRAWFORD	...	„ James Finlay & Co., Ltd.
1927	„ T. C. CRAWFORD	...	„ James Finlay & Co., Ltd.
1928	„ A. D. GORDON	...	„ Williamson Magor & Co.
1929	„ JAS. INSCH	...	„ Duncan Brothers & Co., Ltd.
1930	„ T. C. CRAWFORD	...	„ James Finlay & Co., Ltd.
1931	„ A. S. MACALISTER	...	„ Macneill & Co., Ltd.
1932	„ T. C. CRAWFORD	...	„ James Finlay & Co., Ltd.
1933	„ T. C. CRAWFORD	...	„ James Finlay & Co., Ltd.
1934	„ K. B. MILLER	...	„ Williamson Magor & Co.
1935	„ H. A. ANTROBUS	...	„ Begg Dunlop & Co., Ltd.
1936	„ C. K. NICHOLL	...	„ Octavius Steel & Co., Ltd.
1937	„ C. K. NICHOLL	...	„ Octavius Steel & Co., Ltd.

ASSAM VALLEY—*contd*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Assam Consolidated Tea Estates (India) Ld. :—</i>		
Desam ...	Andrew Yule & Co., Ld. ...	254.78
Hingrijan ...		258.57
Khowang (Inc. Bhamun) ...		540.05
Tinkong ...		382.50
<i>Assam Dooars Tea Co., Ld. :—</i>		
Orangajuli ...	Duncan Brothers & Co., Ld.	516.61
Nonaipara ...		464.37
<i>Assam Estates Ld. :—</i>		
Hazelbank ...	Macneill & Barry Ld. ...	226.48
<i>Assam Frontier Tea Co. Ld. :—</i>		
Talup (Inc. Dangri) ...	Shaw Wallace & Co., Ld.	612.31
Hilika ...		458.64
Hokongurie ...		524.44
Khobong & Laina ...		819.64
Hapjan (Inc. Longsoal) ...		708.29
Budlapara ...		904.67
Budla Beta (Inc. Bokpara) ...		755.51
Kharjan & Kanjikoah ...		586.38
Pengaree ...		399.75
<i>Attareekhat Tea Co., Ld. :—</i>		
Attareekhat ...	Williamson Magor & Co., Ld.	356.15
Borengajuli ...		419.68
Paneery ...		319.81
<i>Badulipar Tea Co., Ld. :—</i>		
Badulipar and Koomtai ...	Octavius Steel & Co., Ld. ...	895.93
Hautley ...		323.31

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Baghjan Tea Co., (1935) Ld.</i>	Macneill & Barry Ld. ...	400·71
<i>Bamgaon Tea Co., Ld. :—</i> Bamgaon ...	Octavius Steel & Co., Ld. ...	260·84
Singri Tea Estate ...	Hoograjuli (Assam) Tea Ld. ...	278·31
<i>Bargang Tea Co. Ld. :—</i> Bargang ...	Williamson Magor & Co., Ld.	645·78
<i>Basmatia Tea Co., Ld.</i> ...	Andrew Yule & Co., Ld. ...	191·60
<i>Bazaloni Tea Co., Ld. :—</i> Bazaloni ... Rajgarhali ...	Octavius Steel & Co., Ld. ...	569·46
<i>Bengal United Tea Co., Ld. :—</i> Tezpur and Gogra ...	Jardine Henderson Ld. ...	455·50
<i>Betjan Tea Co., Ld.</i> Betjan ...	Gillanders Arbuthnot & Co., Ld.	283·50
<i>Bhooteachang Tea Co., Ld.</i>	Macneill & Barry Ld. ...	410·97
<i>Bishnauth Tea Co., Ld. :—</i> Dekorai ... Pabhoi (Inc. Borphukuri) ... Pertabghur ...	Williamson Magor & Co., Ld.	820·97 578·29 459·82
<i>Borbheel Tea Co., Ld.</i>	Ditto.	307·38

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Bordubi Tea Co., Ltd. :—</i>		
Bordubi ...	Williamson Magor & Co., Ltd.	{ 593'10
Phillobari ...		
<i>Borelli Tea Co., Ltd. :—</i>		
Phulbari ...	Ditto,	{ 631'66
Harchurah ...		
<i>Borhat Tea Co., Ltd. :—</i>		
Borhat ...	James Finlay & Co., Ltd. ...	435'42
<i>Bormahjan Tea Co., Ltd. ...</i>	Bormahjan Tea Co., Ltd. ...	311'39
<i>Boroi Tea Co., Ltd.</i>	Williamson Magor & Co., Ltd.	315'43
<i>Brae and Chingoor Tea Estates Ltd. :—</i>		
Loongsoong ...	Macneill & Barry Ltd. ...	486'03
<i>British Assam Tea Co., Ltd. :—</i>		
Addabarie & Balipara ...	Jardine Henderson Ltd. ...	533'09
<i>British Indian Tea Co., Ltd. :</i>		
Sessa ...	Balmer Lawrie & Co., Ltd. ...	{ 268'15
Mancotta ...		
<i>Brooke Bond Estates Ltd. :—</i>		
Dibru-Darrang ...	Brooke Bond Estates Ltd. ...	{ 257'14
Tinkharia & Julia ...		
Dhullie & Dering ...		
<i>Bukhial Tea Estate</i>	Macneill & Barry Ltd. ...	394'88

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Chubwa Tea Co., Ltd. :—</i>		
Kellyden ...	} James Finlay & Co., Ltd. ...	661·65
Chubwa ...		626·80
Nonoj ...		420·07
<i>Chamong Tea Co., Ltd.</i>		
Dufflating ...	Chamong Tea Co., Ltd. ...	351·83
<i>Consolidated Tea and Lands Co., (India) Ltd. :—</i>		
Hattigor ...	} James Finlay & Co., Ltd. ...	848·16
Powai ...		809·22
Sagmootea ...		335·10
Majuli ...		311·42
Lamabari ...		325·76
<i>Corramore Tea Co., Ltd.</i>	Williamson Magor & Co., Ltd.	314·42
<i>Dekhari Tea Co., Ltd. :—</i>		
Deophal ...	} James Warren & Co., (I) Ltd.	429·97
Thowra ...		349·76
Baliyan ...		412·13
Rajah Ali ...		249·97
<i>Dejoo Tea Co., Ltd.</i>	Balmer Lawrie & Co., Ltd. ...	405·73
<i>Dejoo Valley Tea Co., Ltd.</i>	Dejoo Valley Tea Co., Ltd. ...	225·31
<i>Dessai and Purbuttia Tea Co., Ltd. :—</i>		
Duklingia ...	The Director, ...	602·61
Deckiajuli Tea Estate ...	Co-operative Tea Society Ltd.	476·05

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Dhelakhat Tea Co., La. :—</i>		
Dhelakhat ...	James Warren & Co., (I) Ld.	193·91
Dangri and Dhonjan ...		128·43
<i>Dhoolie Tea Co., Ld. :—</i>		
Dhoolie (inc. Nagajanka) ...	Octavius Steel & Co., Ld. ...	364·50
<i>Dibrugarh Co., Ld. :—</i>		
Ouphulia ...	Dibrugarh Co., Ld. ...	263·56
<i>Dimakusi Tea Co., Ld. :—</i>	Williamson Magor & Co., Ld.	270·97
<i>Dirai Tea Estate</i>	Macneill & Barry Ld. ...	405·15
<i>Dolaguri Tea Estate</i> ...	Dolaguri Tea Co., Ld. ...	237·31
<i>Doolahat Tea Co., Ld.</i>	Balmer Lawrie & Co., Ld. ...	444·76
<i>Doom Dooma Tea Co., Ld. :—</i>		
Beesakopie (Inc. Daimukhia & Fatikjan) ...	Doom Dooma Tea Co., Ld. ...	994·64
Samdang (Inc. Panikawa & Messaijan) ...		848·67
Raidang (Inc. Hansara) ...		677·36
<i>Duflaghur Tea Co., Ld.</i>	Williamson Magor & Co., Ld.	355·75
<i>Eastern Assam Tea Co., Ld. :—</i>		
Balijan North (Inc. Balijan South) ...	James Warren & Co., (I) Ld.	702·00
Sealkotee ...		476·20
Mohunbaree ...		191·08

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Empire of India and Ceylon Tea Co., Ltd. :—</i>		
Borjulié ...	Gillanders Arbuthnot & Co., Ld. ...	465'39
Sessa (including Namgaon) ...		492'56
Dhulapadung ...		499'22
Ghoirallie (Inc. Thakurbari) ...		470'66
<i>Gingia Tea Co., Ltd. :—</i>	Jardine Henderson Ld. ...	290'27
<i>Gohpur Tea Co., Ltd.</i>	Williamson Magor & Co. Ld.	229'04
<i>Greenwood Tea Co., Ltd. :—</i>		
Greenwood ...	Macneill & Barry Ld. ...	485'90
Dinjan ...		345'31
<i>Grob Tea Co., Ltd. :—</i>		
Dessoie ...	Grob Tea Co., Ld. ...	210'11
Kanu (including Bogabagh) ...		412'33
Doyang ...		274'20
Teen Ali ...		241'70
<i>Halem Tea Co., Ltd. :—</i>		
Halem ...	Jardine Henderson Ld. ...	412'34
Nya Gogra ...		332'47
<i>Harmutty Tea Co., Ltd. :—</i>	Balmer Lawrie & Co., Ld. ...	413'02
<i>Haroocharai Tea Estate</i> ...	Barooahs & Associates Private Ld. ...	217'72
<i>Hoolungooree Tea Co., Ltd.</i>		
Hoolungooree ...	Andrew Yule & Co., Ld. ...	365'07
<i>Hunwal Tea Co., Ltd. :—</i>	Jardine Henderson Ld. ...	664'60
<i>Imperial Tea Co., Ltd. :—</i>		
Monabarrie ...	Ditto.	790'19
Tarajulie ...		297'44
<i>Itakhoolie Tea Co., Ltd.</i> ...	Williamson Magor & Co., Ld.	366'95

ASSAM VALLEY—*contd*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Jhanzie Tea Association Ltd. :-</i>		
Seleng	Balmer Lawrie & Co., Ltd. ...	267'48
Boisahabi		559'11
Naganijan		365'69
Borpatra		340'89
Jaipur		282'29
Namsang		169'27
<i>Jokai (Assam) Tea Co. Ltd. ...</i>		
Bokel	Ditto.	587'32
Muttuck		245'51
Singlijan		193'90
Dikom		410'70
Lengrai		174'36
Hattiali		246'58
Jamirah		350'09
Panitola		590'37
Nokhroy		274'27
Hukanpukhri		410'67
Tipuk		293'49
Daisajan		279'67
Joyhing		522'37
Koilamari		
Nalani		389'71
<i>Joonktolle Tea Co., Ltd. :-</i>		
Joonktolle	Kettlewell Bullen & Co., Ltd.	333'22
Shree Ganga		
<i>Jorehaut Tea Co., Ltd. :-</i>		
Cinnamara (Inc. Murmura)	James Warren & Co., (I) Ltd.	841'35
Numalighur		309'39
Rungagora		294'66
Dhekiajuli		456'32
Sycotta		473'87
Kharikatia		326'83
Deepling		274'14
Langharjan		445'10
Borsapori		303'11
Katonibari		185'32
Hatimara		

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
Jullibari Tea Co., Ltd. :—	Gillanders Arbuthnot & Co., Ltd.	431'44
Kanan Devan Hills Produce Co., Ltd. :—		
Teok (Inc. Lahing) ...	James Finlay & Co., Ltd. ...	443'36
Kakajan and Debrapar ...		987'82
Koomsong Tea Co., Ltd. ...	Williamson Magor & Co., Ltd.	534'23
Kotamullai Tea Co., Ltd. :—		
Jiajuri ...	Duncan Brothers & Co., Ltd.	283'10
Lankashi Tea & Seed Estate	Octavius Steel & Co., Ltd. ...	112'03
Ledo Tea Co., Ltd. :—	Duncan Brothers & Co., Ltd.	281'43
Majuli Tea Co., Ltd. :—		
Behali ...		362'49
Majulighur ...	Williamson Magor & Co., Ltd.	418'81
Mijicajan ...		448'39
Makum (Assam) Tea Co., Ltd. :—		
Margherita ...		546'97
Dirok ...	Balmer Lawrie & Co., Ltd.	550'67
Dehing ...		347'74
Marangi Tea Co., Ltd. :—	Octavius Steel & Co., Ltd. ...	156'04
Methoni Tea Co., Ltd. :—		
Methoni ...		289'20
Bokakhat ...	Methoni Tea Co., Ltd. ...	193'78
Moabund Tea Co., Ltd. :		
Moabund ...	Williamson Magor & Co., Ltd.	364'98

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Moran Tea Co., Ltd. :—</i>		
Moran ...	Williamson Magor & Co., Ltd.	544.02
Sepon ...		533.98
Attabarrie ...		348.70
Lepetkatta ...		358.16
<i>Mothola Tea Estate</i> ...	Shri S. Bagaria, Proprietor	108.60
<i>Murphulani (Assam) Tea Co., Ltd.</i> ...	Andrew Yule & Co., Ltd. ...	203.93
<i>Namdang Tea Co., Ltd. :—</i>		
Namdang ...	Balmer Lawrie & Co., Ltd. ...	567.10
Bogapani ...		600.52
<i>New Assam Valley Tea Co., Ltd. :—</i>		
Mahakali ...	Macneill & Barry Ltd. ...	287.53
<i>New Cinnatolliah Tea Co., Ltd. :—</i>		
Cinnatolliah ...	Duncan Brothers & Co., Ltd.	358.70
<i>New Monkhooshi Tea Co., Ltd. :—</i>		
Monkhooshi ...	Macneill & Barry Ltd. ...	210.81
<i>Pabbojan Tea Co., Ltd. :—</i>		
Dhoedaam (inc. Pabbojan) ...	James Warren & Co., (I) Ltd.	832.03
Deamoolie ...		568.20
Tara ...		499.36
Rupai ...		531.94
Duamara ...		250.95

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Rajgarh Tea Co., Ltd.</i>	Andrew Yule & Co., Ltd. ...	223'39
<i>Rajmai Tea Co., Ltd. :—</i>		
Behora ...	Williamson Magor & Co., Ltd.	<div style="display: flex; align-items: center;"> { <div> 360'83 531'66 </div> </div>
Rajmai ...		
<i>Romai Tea Co., Ltd.</i> ...	Ditto,	248'89
<i>Rungajaun Tea Co., Ltd. :—</i>		
Rungajaun ...	Octavius Steel & Co., Ltd. ..	<div style="display: flex; align-items: center;"> { <div> 465'72 216'30 </div> </div>
Woka ...		
<i>Rupajuli Tea Co., Ltd.</i> ...	Williamson Magor & Co., Ltd.	274'00
<i>Salonah Tea Co., Ltd. :—</i>		
Salonah ...	Macneill & Barry Ltd. ...	<div style="display: flex; align-items: center;"> { <div> 941'45 565'37 481'22 </div> </div>
Kondoli ...		
Kotalgoorie ...		
<i>Scottish Assam Tea Co., Ltd.</i>	Ditto.	569'91
<i>Seojuli Tea Estate</i>	Williamson Magor & Co. Ltd.	227'43
<i>Silonibari Tea Co., Ltd.</i> ...	Macneill & Barry Ltd. ...	419'00
<i>Singlo Tea Co., Ltd. :—</i>		
Suffrv ...	Gillanders Arbuthnot & Co., Ltd. ...	<div style="display: flex; align-items: center;"> { <div> 377'28 401'83 503'52 369'24 </div> </div>
Jaboka ...		
Muttrapur & Nimonagarh ...		
Napuk ...		

ASSAM VALLEY—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Sonabheel (Assam) Tea Co., Ltd.</i>	Octavius Steel & Co., Ltd. ...	332·08
<i>Soraipani Tea Estate</i>	Williamson Magor & Co., Ltd.	239·46
<i>Teloijan Tea Co., Ltd.</i> ...	Teloijan Tea Co., Ltd. ...	290·12
<i>Tengpani Tea Co., Ltd.</i> ...	Gillanders, Arbuthnot & Co., Ltd. ...	272·26
<i>Tezpur Tea Co., Ltd. :—</i>		
Bahipookri	} Shaw Wallace & Co., Ltd. ...	{ 666·84
Bettybari ...		
Orang ...		
<i>Thanai Tea Co., Ltd. :—</i>		
Thanai (including Oaklands)	} Macneill & Barry Ltd. ...	{ 585·98
Digulturrung		
<i>Tingamira Tea Seed Co., Ltd.</i>	Tingamira Tea Seed Co., Ltd.	158·61
<i>Tingri Tea Co., Ltd. :—</i>		
Keyhung	} Williamson Magor & Co., Ltd.	{ 561·28
Dirial (Inc. Hoogrijan) ...		
<i>Tyroon Tea Co., Ltd. :—</i>		
Tyroon (including Titabar)	Tyroon Tea Co., Ltd. ...	532·13
<i>Tulip Tea Estate</i>	Tulip Tea Co., Ltd. ...	473·68
<i>Upper Assam Tea Co., Ltd. :—</i>		
Maijan and Nagaghoolie ...	} Macneill & Barry Ltd. ...	{ 760·00
Borborooah ...		
Nudwa ...		
Rungagora ...		
<i>Zaloni Tea Estates Ltd.</i> ...	James Warren & Co., (I) Ltd.	289·35
Assam Valley Total ...		92,489·18

CACHAR

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Central Cachar Tea Co., Ltd.</i>		
• Serispore ...	The Director ...	350.19
<i>Endogram Tea Co., Ltd.</i> ...	Octavius Steel & Co., Ltd. ..	266.76
<i>Hattikhira Tea Co., Ltd. :-</i>		
Hattikhira and Solgai ...	Ditto.	815.92
<i>Isa Bheel Tea Co., Ltd.</i> ...	Ditto.	473.97
<i>Jetinga Valley Tea Co., Ltd. :-</i>		
Koomber	James Warren & Co., (I) Ltd.	606.48
<i>Kalline Tea Co., Ltd. :-</i> ...	Macneill & Barry Ltd. ...	384.32
<i>Longai Valley Tea Co., Ltd. :</i>		
Lalkhira ...	Octavius Steel & Co., Ltd. ..	611.51
Adam Tila ...		
Chandkhira ...		
Longai ...		
<i>Pathemara Tea Co., Ltd.</i> ...	Ditto.	242.64
<i>Rungamaittee Tea Co., Ltd. :-</i>		
Chandighat ...	Duncan Brothers & Co., Ltd.	347.20
<i>Urrunabund Tea Estate</i> ...	P. C. Chatterjee & Co. ...	266.48
<i>Western Cachar Co., Ltd. :-</i>		
Jellalpoore ...	Macneill & Barry Ltd. ...	330.13
Cachar Total ...		4,695.60

TERAI

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Bijohnagar Tea Estate</i>	Bijohnagar Tea Co., Ltd. ...	157'10
<i>Gungaram Tea Co., Ltd. :—</i>		
Gungaram ...	} Duncan Brothers & Co., Ltd. {	524'11
Ord ...		289'93
<i>Killcott Tea Co., Ltd. :—</i>		
Hansqua ...	Ditto.	266'20
<i>New Chumta Tea Co., Ltd. ...</i>	Davenport & Co. (P) Ltd. ...	242'20
<i>Panighatta Tea Estate</i>	New Terai Association Ltd. ...	312'14
<i>Pahargoomiah Tea Estate</i>	Pahargoomiah Tea Association Ltd. ...	453'55
<i>Taipoo Tea Association, Ltd.</i>	Gillanders Arbuthnot & Co., Ltd. ...	228'09
<i>Tirrihannah Co., Ltd. :—</i>		
Tirrihannah ...	Tirrihannah Co., Ltd. ...	332'44
Total ...		2,805'76

DARJEELING

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Chamong Tea Co., Ltd.</i> ...	Chamong Tea Co., Ltd. ...	164.92
<i>Darjeeling Co., Ltd. :—</i>		
Ging ...	James Warren & Co., (I) Ltd.	235.16
Phoohsring ...		207.23
Tukdah (including Glendarnel) ...		241.00
Bannockburn ...		136.38
<i>Darjeeling Tea and Cinchona Association Ltd.</i>	Macneill & Barry Ltd. ...	405.00
<i>Hasimara Industries Ltd. :—</i>		
Tumsong ...	Davenport & Co. (P.) Ltd. ...	124.06
<i>Lebong Tea Co., Ltd. :—</i>		
Badamtam ...	Duncan Brothers & Co., Ltd.	290.42
Barnesbeg ...		115.07
Thurbo ...		435.44
Glenburn Tea Estate ...	Williamson Magor & Co. Ltd.	296.33
Lingia Tea Estate ...		144.96
<i>Margaret's Hope Tea Co., Ltd. :—</i>		
Margaret's Hope & Maharance ...	Margaret's Hope Tea Co., Ltd.	355.76
<i>Marybong Tea Estate</i>	Duncan Brothers & Co., Ltd.	258.19
<i>Mim Tea Co., Ltd.</i> ...	Andrew Yule & Co., Ltd. ...	187.49
<i>Nagri Farm Tea Co., Ltd.</i> ...	Williamson Magor & Co. Ltd.	283.05
<i>Okayti Tea Co., Ltd.</i> ...	Okayti Tea Co., Ltd. ...	204.37

DARJEELING—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Runglee Rungliot Tea Co., Ltd.</i>	Duncan Brothers & Co., Ltd.	147.76
<i>Singell Tea Estate</i>	Singell Tea & Agricultural Industries Ltd. ...	293.86
<i>Soom Tea Co., Ltd.</i> ...	Williamson Magor & Co. Ltd.	224.33
<i>Sungma Tea Co., Ltd. :—</i>		
Sungma	Sungma Tea Co., Ltd. ...	310.95
Turzum		
<i>Teesta Valley Tea Co., Ltd. :—</i>		
Teesta Valley	Davenport & Co. (P) Ltd. ...	306.24
Gielle		228.00
Darjeeling Total ...		5,595.97

DOOARS, (JALPAIGURI)

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Assam Dooars Tea Co., Ltd.:-</i>		
Newlands ...	Duncan Brothers & Co., Ltd.	531.46
Sankos ...		521.36
Gandrapara ...		640.61
Kumargram ...		493.55
Lakhipara ...		509.51
<i>Bagracote Tea Co., Ltd.:-</i>		
Bagracote ...	Ditto,	476.31
Baintgoorie ...		519.10
<i>Banarhat Tea Co., Ltd.:-</i>		
Banarhat ...	Andrew Yule & Co., Ltd.	506.03
Karballa ...		631.29
Choonabhutti ...		354.43
New Dooars ...		503.96
<i>Baradighi Tea Co., Ltd.</i> ...	The Director ...	486.81
<i>Bhatkawa Tea Co., Ltd.</i> ...	Bhatkawa Tea Co., Ltd. ...	542.90
<i>Birpara Tea Co., Ltd.:-</i>		
Birpara ...	Duncan Brothers & Co., Ltd.	639.74
Hantapara ...		561.19
Dumchipara ...		548.47
<i>Buxa Dooars Tea Co., Ltd.:-</i>		
Kalchini ...	G. Patel & Co. (P.) Ltd. ...	608.28
Rimatong ...		429.00
Chinchulla ...		453.75
Dima ...		601.71
<i>Cachar Dooars Tea Co., Ltd.:-</i>		
Matelli & Moortee ...	Jardine Henderson Ltd. ...	621.97

DOOARS, (JALPAIGURI) —*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Chulsa Tea Co., Ltd. :—</i>		
Chulsa ...	Duncan Brothers & Co., Ltd.	414.55
Samsing (Inc. Yong Tong) ...		857.84
Zurrantee ...		455.82
Aibheel (inc. Sathkyah) ...		819.08
Fagu ...		193.11
<i>Consolidated Tea and Lands Co., (India) Ltd. :—</i>		
Dam Dim ...	James Finlay & Co., Ltd. ...	648.22
Kumlai ...		389.05
Nakhati ...		681.37
Soongachi ...		
Nowera Nuddy ...		251.18
Rungamuttee ...		757.62
<i>Dungua-Jhar Tea Co., Ltd.</i>	Duncan Brothers & Co., Ltd.	508.50
<i>Dooars Tea Co., Ltd. :—</i>		
Ghatia ...	Gillanders Arbuthnot & Co., Ltd. ...	347.43
Nagrakata ...		366.72
Bhogotpore ...		780.73
Kurti ...		
Grassmore ...		395.45
Indong ...		428.17
<i>Empire of India and Ceylon Tea Co., Ltd. :—</i>		
Tasati ...	Ditto.	364.76

DOOARS, (JALPAIGURI) —*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Gairkhatta Tea Co., Ltd.</i> ...	Gillanders Arbuthnot & Co., Ltd. ...	481·82
<i>Hasimara Industries Ltd.</i> :—		
Beech ...	{ Davenport & Co. (P.) Ltd.	{ 775·39
Bharnobari ...		{ 685·20
Satali ...		{ 791·25
<i>Hilla Tea Estate</i>	Hilla Tea Estates & Industries Ltd. ...	312·25
<i>Hope Tea Co., Ltd.</i> :—		
Hope ...	{ Duncan Brothers & Co., Ltd.	{ 369·20
Jiti ...		{ 512·39
Chalouni ...		{ 499·38
<i>Huldibari Tea Association Ltd.</i>	Davenport & Co. (P.) Ltd.	747·16
<i>Imperial Tea Co., Ltd.</i> :—		
Chuapara ...	{ Jardine Henderson Ltd. ...	{ 483·21
Bhatpara ...		{ 458·19
Mechpara ...		{ 394·23
Central Dooars ...		{ 654·21
Jainti ...		{ 369·04
<i>Kilcott Tea Co., Ltd.</i> :—		
Kilcott ...	{ Duncan Brothers & Co., Ltd.	{ 376·69
Nagaisuree ...		{ 529·11
<i>Lankapara Tea Co., Ltd.</i> :—		
Lankapara ...	{ Ditto.	{ 873·70
Garganda ...		{ 434·72
<i>Leesh River Tea Co., Ltd.</i> :—	Ditto.	579·82
<i>Meenglas Tea Co., Ltd.</i> :—		
Meenglas (incl. Dalingkete) ...	{ Ditto.	{ 573·63
Putharjhora ...		{ 347·58

DOOARS, (JALPAIGURI)—*contd.*

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Moraghat Tea Co., Ltd.</i> ...	Macneill & Barry Ltd. ...	415'62
<i>Nangdala Tea Co., Ltd.</i> :—	Ditto.	423'86
<i>Nedeem Tea Co., Ltd.</i> :—		
Sylee, Nedeem and Baintbarie ...	Octavius Steel & Co., Ltd. ...	536'30
Nya Sylee ...		361'00
Chengmari ...		684'49
Dalgaon ...		625'96
Toorsa ...		396'25
Dalsingpara ...		655'82
Dalmore ...		415'14
<i>Northern Dooars Tea Co., Ltd.</i> :—		
Binnaguri ...	Macneill & Barry Ltd. ...	514'40
<i>Rajahbhat Tea Co., Ltd.</i> ...	Rajahbhat Tea Co., Ltd. ...	311'29
<i>Ranicherra Tea Co., Ltd.</i>	Ranicherra Tea Co., Ltd. ...	552'10
<i>Rydak Tea Syndicate Ltd.</i> :—		
Rydak ...	The Director ...	515'12
Kartik ...		272'32
<i>Singlo Tea Co., Ltd.</i> :—		
Talepara ...	Gillanders Arbuthnot & Co., Ltd. ...	398'93
<i>Subhasini Tea Estate</i>	Bijohnagar Tea Co., Ltd. ...	351'66
<i>Washabarie Tea Estate</i> ...	Washabarie Tea Co., Ltd. ...	299'69
Dooars Total ...		38,819'15

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DEHRA DUN (U.P.)

Name of Garden or Company	Name of Calcutta Agents or Secretaries	Area under Tea cultivation
<i>Lambagh Tea Estate</i>	Dahshantal Tea Estates & Industries ...	5.67
U.P. Total ...		5.67
Total of all Districts ...		144,411.33

